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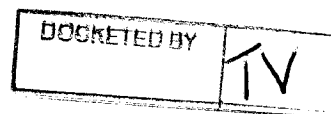
IN THE MATTER OF THE APPLICATION
OF RED ROCK UTILITIES, LLC, AN
ARIZONA LIMITED LIABILITY
COMPANY, FOR A DETERMINATION
OF THE FAIR VALUE OF ITS UTILITY
PLANTS AND PROPERTY AND FOR
INCREASES IN ITS WATER AND
WASTEWATER RATES AND CHARGES
FOR UTILITY SERVICE BASED
THEREON.

DOCKET NO: WS-04245A-14-0295

NOTICE OF FILING REBUTTAL
TESTIMONY

Arizona Corporation Commission
DOCKETED

MAR 26 2015



Red Rock Utilities, LLC hereby submits this Notice of Filing Rebuttal Testimony in the above-referenced matter. Specifically filed herewith are the rebuttal testimonies of the following:

1. Mark Weinberg;
2. Thomas J. Bourassa (Rate Base, Revenue Requirement, and Rate Design)

RESPECTFULLY SUBMITTED this 26th day of March, 2015.

LARRY V. ROBERTSON, JR.

Attorney at Law

By

Thomas J. Bourassa for Larry V. Robertson

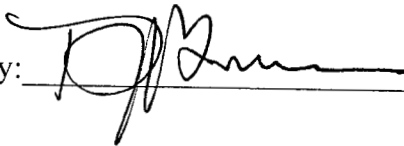
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ORIGINAL and thirteen (13) copies
of the foregoing were delivered
this 26th day of March, 2015 to:

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

By: _____

A handwritten signature in black ink, appearing to be "L. Robertson", written over a horizontal line.

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF RED ROCK UTILITIES, LLC, AN
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THEREON.

DOCKET NO: WS-04245A-14-0295

REBUTTAL TESTIMONY OF

MARK WEINBERG

March 25, 2015

LAWRENCE V. ROBERTSON, JR.
ATTORNEY AT LAW
P. O. Box 1448
Tubac, Arizona 85646

PREPARED REBUTTAL TESTIMONY
OF
MARK WEINBERG

Q.1 Please state your name and business address.

A.1 My name is Mark Weinberg. My business address is 2200 East River Road, Suite 115, Tucson, Arizona 85718.

Q.2 Are you the same Mark Weinberg whose prepared Direct Testimony was filed with the Commission's Docket Control on August 4, 2014 in Docket No. WS-04245A-14-0295?

A.2 Yes.

Q.3 Do you continue to be the General Manager for Red Rock Utilities, L.L.C. ("Red Rock")?

A.3 Yes.

Q.4 What is the purpose of your Rebuttal Testimony at this time?

A.4 My Rebuttal Testimony has two (2) purposes, First, on March 4, 2015, the Commission's Staff filed prepared rate design Direct Testimony in Docket No. WS-04245A-14-0295, which is the docket number assigned to Red Rock's August 4, 2014 Application for increases in Red Rock's current rates and charges for water and wastewater service. Previously, on February 25, 2015, the Commission's Staff filed its prepared Direct Testimony on rate base, income statement and cost of capital. In its rate design testimony, the Commission's Staff submitted two (2) alternative plans for Red Rock with respect to each type of service. Plan "A," to use the Commission Staff's phraseology, was designed to allow Red Rock to "break even" based on the Commission Staff's test period adjustment to

operating revenues and expenses. In other words, the rate increases provided for under Plan "A" would not include any allowance for a rate of return on Red Rock's investment; and, with respect to Red Rock's water system, provided for no increase at all. The alternative plan, or Plan "B" would provide for an increase in rates for both Red Rock's water and wastewater operations in Pinal County, based upon use of the traditional "rate of return" rate making methodology. As between these two alternatives, the Commission Staff recommended Commission adoption of Plan "A." In my Rebuttal Testimony, I will discuss Red Rock's position with respect to each of these alternatives.

Second, there are several express and implicit criticisms of Red Rock in the Commission Staff's prepared Direct Testimony on rate base, income statement and cost of capital which I want to address and rebut at this time.

Q.5 What is Red Rock's position with respect to Plan "A" rates, as proposed by the Commission's Staff?

A.5 From a ratemaking methodology perspective, Red Rock does not agree with the Commission Staff's "break even" approach, which allows for no rate of return on plant in service where there is no disagreement between the Commission Staff and Red Rock as to plant which may be deemed "used and useful" as of the end of the test period. More specifically, even the Commission Staff's own exhibits, after taking the Commission Staff's recommended adjustments into account, recognize \$1,389,355 of OCLD water system rate base, and \$976,488 of OLDD wastewater system rate base.

In that regard, as I discussed at page 4, line 26 – page 5, line 27 of my August 4, 2014 prepared Direct Testimony, Red Rock was and continues to be concerned about the potential for "rate shock" resulting from rate increases at this time in its Pinal County service area. Had we had the discretion to further defer filing a rate increase request in August of 2014, we would have done so. But, for the reasons discussed in my prepared Direct Testimony, we concluded that option did not exist. Thus, Red Rock filed its request

1 for rate increases using a traditional "rate of return" methodology, with certain test period
2 adjustments Red Rock considered appropriate only for purposes of this case as a means by
3 which to somewhat mitigate that "rate shock" which would otherwise occur. However, the
4 Commission's Staff has criticized those adjustments, and offered its Plan "A" or "break
5 even" approach as a means for mitigating the apprehended "rate shock."

6 Against this background, Red Rock is willing to support for purposes only in this
7 rate case the Commission Staff's Plan "A" or "break even" ratemaking methodology,
8 provided that the Commission enters an opinion and order adopting in the entirety the
9 Commission Staff's proposed Plan "A" rates and charges for both Red Rock's water and
10 wastewater systems in Pinal County. If the Commission is going to depart from the use of
11 "rate of return" ratemaking in the circumstances of this particular case, then it must be
12 consistent in its use of the "break even" methodology (and resulting rates) as to each of
13 these systems.

14 Finally, and with respect to the Commission Staff's Plan "B" alternative, while Red
15 Rock continues to believe that use of the "rate of return" methodology is the correct
16 ratemaking approach, Red Rock cannot support the rate increases which result thereunder
17 in this instance. That is because, given the Commission Staff's rejection of test period
18 adjustments Red Rock proposed as mitigating measures, the rates resulting from the
19 Commission Staff's Plan "B" would simply be too high for our Pinal County customers,
20 even assuming a five (5) year phase-in of the respective wastewater increases which Red
21 Rock proposed and those which the Commission Staff supports.

22
23 **Q.6 What are the mitigating measures that Red Rock proposed and the Commission's**
24 **Staff rejected?**

25 **A.6** As identified at page 5, lines 19-27 of my August 4, 2014 prepared Direct Testimony, and
26 as fully discussed in the prepared Direct Testimony of that same date of Thomas J.
27 Bourassa, our rate case consultant, those ratemaking proposals consisted of the following:
28

(i) a pro forma customer projection addition, (ii) a lower cost of equity projection than that to which we believe Red Rock is entitled, (iii) no request for ratemaking recognition of income taxes, and (iv) a proposed 5-year phase-in of the wastewater increase. In that regard, the Commission's Staff rejected those relating to customer projections and income taxes.

Q.7 In its February 26, 2015 prepared Direct Testimony on rate base, operating income and cost of capital, the Commission's Staff criticized Red Rock's decision as to the sizing of the Company's wastewater treatment facilities. What factor(s) influenced the Company's decision in that regard?

A.7 Red Rock examined several different wastewater treatment processes and facility designs which were in use in the utility industry at that point in time. Taking into account the nature and contemplated size of the master-planned community that was to be developed in Red Rock's wastewater service area in Pinal County, we selected the process and facility design that we concluded was most appropriate for our needs, and that had a "track record" of proven reliability. In that regard, the size of the system we selected and constructed was the smallest size then available.

Thus, we believe that the Commission Staff's criticism of our sizing decision is in the nature of the proverbial "Monday morning quarterbacking," a number of years after the fact and without full consideration of the surrounding circumstances at the time the process selection and facility sizing decision was made.

Q.8 Is there another area where the Company believes that the Commission's Staff has been overly critical in its prepared Direct Testimony?

A.8 Yes. At page 23, line 14 – page 24, line 3 of her February 25, 2015 prepared Direct Testimony, Commission Staff witness Crystal S. Brown characterizes that plant which the Commission Staff is treating as "excess capacity" as representing "quite simply, just the unwinding of an investment risk" by the owners of Red Rock; and, she further describes it

1 as "high risk investment that [did] not meet investor business plan expectations."

2 Once again, Ms. Brown has indulged in "Monday morning quarterbacking." More
3 specifically, at the time that the plant decisions were made and most (if not all) of the plant
4 capacity in question was constructed, no one could have foreseen the 2008 financial crisis
5 and the subsequent years-long devastating impact on the developer and homebuilding
6 industry, not to mention the severe impact upon new home buyers. Furthermore, both the
7 owners of Red Rock and I have been involved in the ownership and management of
8 utilities regulated by the Commission for a number of years preceding Red Rock obtaining
9 its Pinal County service area CC&Ns in 2004. So, we were and are well aware of the
10 concept of "excess capacity" and, it was not and is not in our nature to make "high risk
11 investment" decisions in a regulated industry environment.

12
13 **Q.9 Does the Company continue to support the request for the accounting order**
14 **concerning depreciation expenses as (i) set forth at page 4, lines 13-17 of its August 4,**
15 **2014 Application and (ii) discussed in Mr. Bourassa's August 4, 2015 prepared Direct**
16 **Testimony at page 8, line 25 – page 9, line 17?**

17 **A.9** Yes, without a doubt. The accounting order we have requested would simply enable the
18 Company to seek to obtain ratemaking recognition in a future rate case of depreciation
19 expense which would be deferred under such an order. But, an order of that nature does not
20 guarantee or commit the Commission to such future ratemaking recognition.

21 In addition, as Mr. Bourassa observed in his August 4, 2014 prepared Direct
22 Testimony, an accounting order of this nature would "reduce erosion of the company's
23 equity balance, thus leading to greater financial stability." Given that (i) Red Rock's
24 capital structure is 100% equity, and (ii) the Commission Staff's Plan "A" or "break even"
25 rates provide for no return on investment, the accounting order requested by Red Rock
26 would appear to be both appropriate and necessary for the reasons that Mr. Bourassa and I
27 have discussed. In that regard, under its Plan "B" or "rate of return" approach, the
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Commission's Staff acknowledged that an appropriate cost of capital and rate of return for Red Rock in this case was 9.5%.

Q.10 Does that complete your Rebuttal Testimony on behalf of Red Rock?

A.10 Yes, it does.

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BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF RED ROCK UTILITIES, LLC, AN
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COMPANY, FOR A DETERMINATION
OF THE FAIR VALUE OF ITS UTILITY
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INCREASES IN ITS WATER AND
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FOR UTILITY SERVICE BASED
THEREON.

DOCKET NO: WS-04245A-14-0295

**REBUTTAL TESTIMONY OF
THOMAS J. BOURASSA
(RATE BASE, INCOME STATEMENT, REVENUE REQUIREMENT AND RATE
DESIGN)**

March 25, 2015

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B.	Wastewater Division Rates and Rate Design.....	13
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1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q1. PLEASE STATE YOUR NAME AND ADDRESS.**

3 A1. My name is Thomas J. Bourassa. My business address is 139 W. Wood Drive,
4 Phoenix, Arizona 85029.

5 **Q2. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?**

6 A2. I am testifying in this proceeding on behalf of the Red Rock Utilities, LLC,
7 ("RRU" or the "Company").

8 **Q3. HAVE YOU PREVIOUSLY SUBMITTED DIRECT TESTIMONY IN THE**
9 **INSTANT CASE?**

10 A3. Yes, my direct testimony was submitted in support of the initial application in this
11 docket.

12 **Q4. WHAT IS THE PURPOSE OF THIS REBUTTAL TESTIMONY?**

13 A4. I will provide rebuttal testimony in response to the February 25, 2015 and March
14 4, 2015 prepared Direct Testimony of Staff. More specifically, my rebuttal
15 testimony relates to rate base, income statement, revenue requirement and rate
16 design for RRU.

17 **II. SUMMARY OF COMPANY'S REBUTTAL POSITION**

18 **Q5. PLEASE BRIEFLY SUMMARIZE THE COMPANY'S REBUTTAL**
19 **POSITIONS FOR THE WATER AND WASTEWATER DIVISIONS.**

20 A5. To eliminate issues between the parties for purposes of this rate case, the Company
21 is adopting Staff's Plan A recommendations in their entirety for both the water and
22 wastewater divisions.

23 **Q6. DOES THAT INCLUDE THE STAFF PROPOSAL TO PHASE IN THE**
24 **WASTEWATER RATE INCREASE OVER 5 YEARS?**

25 A6. Yes. However, I should note, the Staff proposed wastewater rates (year 5) do not
26

1 produce the recommended revenue requirement. The Staff rates are short by
2 approximately \$12,000.

3 **Q7. WHAT ARE THE REVENUE INCREASES FOR THE WATER AND**
4 **WASTEWATER DIVISIONS THAT THE COMPANY IS PROPOSING IN**
5 **THIS REBUTTAL TESTIMONY?**

6 A7. For the water division the Company proposes a total revenue requirement of
7 \$355,316, which constitutes an increase in revenues of \$2,207, or 0.63 percent
8 over adjusted test year revenues. For the wastewater division, RRU proposes a
9 total revenue requirement of \$643,466, which constitutes an increase in revenues
10 of \$355,517, or 123.47 percent over adjusted test year revenues.

11 **Q8. HOW DO THESE COMPARE WITH THE COMPANY'S DIRECT**
12 **FILING?**

13 A8. In the direct filing, the Company requested (i) a total revenue requirement of
14 \$547,525 for the water division, which required an increase in revenues of \$14,480,
15 or 2.72 percent, and (ii) a total revenue requirement of \$834,504 for the wastewater
16 division, which required an increase in revenues of \$356,955, or 74.75 percent.

17 **Q9. WHAT'S DIFFERENT?**

18 A9. In its rebuttal filing, RRU has adopted for purposes only of this rate case a number
19 of rate base and revenue/expense adjustments recommended by Staff. Among
20 these adopted adjustments was the removal of projected revenues and expenses
21 from projected customer growth. As a result, the Company's rebuttal position
22 (rate base and revenue requirement) is the same as Staff's Plan A recommendation;
23 which is Staff's primary recommendation.¹

24
25
26 ¹ See Direct Testimony of Crystal S. Brown ("Brown Dt.") p. 7.

1 **Q10. WHAT ARE THE PROPOSED REVENUE REQUIREMENTS AND RATE**
2 **INCREASES FOR THE COMPANY AND STAFF AT THIS STAGE OF**
3 **THE PROCEEDING?**

4 A10. For the water division, the proposed revenue requirements and proposed rate
5 increases are as follows:

	<u>Revenue Requirement</u>	<u>Revenue Incr.</u>	<u>% Increase</u>
6 Company-Direct	\$ 547,525	\$ 14,480	2.72%
7 Staff (Plan A)	\$ 355,316	\$ 2,207	0.63%
8 Company-Rebuttal	\$ 355,316	\$ 2,207	0.63%

9
10 For the wastewater division, the proposed revenue requirements and
11 proposed rate increases are as follows:

	<u>Revenue Requirement</u>	<u>Revenue Incr.</u>	<u>% Increase</u>
12 Company-Direct	\$ 834,504	\$ 356,955	74.75%
13 Staff (Plan A)	\$ 643,466	\$ 355,317	123.47%
14 Company-Rebuttal	\$ 643,466	\$ 355,517	123.47%

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17 **III. RATE BASE**

18 **A. Water Division Rate Base.**

19 **Q11. WOULD YOU PLEASE IDENTIFY THE PARTIES' RESPECTIVE RATE**
20 **BASE RECOMMENDATIONS FOR THE WATER DIVISION?**

21 A11. Yes, for the water division the rate bases proposed by the Company and Staff are as
22 follows:

	<u>OCRB</u>	<u>FVRB</u>
23 Company-Direct	\$1,378,355	\$1,378,355
24 Staff	\$1,389,355	\$1,389,355

Company-Rebuttal \$1,389,355 \$1,389,355

Q12. WOULD YOU PLEASE DISCUSS THE COMPANY'S PROPOSED ORIGINAL COST RATE BASE FOR THE WATER DIVISION?

A12. Yes. The Company's rebuttal rate base adjustments to the water division's OCRB are detailed on rebuttal schedules B-2, pages 3 through 5. Rebuttal Schedule B-2, page 1 and 2, summarize the Company's proposed adjustments and the rebuttal OCRB.

1. Plant-in-service (PIS)

Q13. WOULD YOU PLEASE DISCUSS THE COMPANY'S PROPOSED REBUTTAL ADJUSTMENTS TO PLANT-IN-SERVICE FOR THE WATER DIVISION, AND IDENTIFY ANY ADJUSTMENTS YOU HAVE ACCEPTED FROM STAFF?

A13. Rebuttal B-2 adjustment 1, as summarized on Rebuttal Schedule B-2, page 2, consists of seven adjustments labeled as "A", "B", "C", "D", and "E" on Rebuttal Schedule B-2, page 3.

Adjustment A reflects the removal of additional not used and useful PIS. This adjustment reflects the adoption of Staff's recommendation.²

Adjustment B reflects an increase to PIS for previously expensed plant. This adjustment reflects the adoption of Staff's recommendation.³

Adjustment C reflects an additional plant retirement. This adjustment reflects the adoption of Staff's recommendation.⁴

Adjustment D reflects a reclassification of PIS. This adjustment reflects the adoption of Staff's recommendation.⁵

² Brown Dt. p.12.

³ Brown Dt. p. 14.

⁴ Brown Dt. p.15.

⁵ Brown Dt. p.15.

1 Adjustment E reflects the adjustment necessary to reconcile the Company's
2 proposed plant balances to the detailed support schedule, Schedule B-2, pages 3.6
3 to 3.13. The adjustment is zero. This reflects that the Company's detail plant
4 schedule reflects all of the Company's proposed adjustments.

5 **Q14. ARE THERE ANY REMAINING ISSUES BETWEEN THE COMPANY**
6 **AND STAFF REGARDING PIS?**

7 A14. No.

8 **2. Accumulated Depreciation (A/D)**

9 **Q15. WOULD YOU PLEASE DISCUSS THE COMPANY'S PROPOSED**
10 **ADJUSTMENTS TO ACCUMULATED DEPRECIATION FOR THE**
11 **WATER DIVISION, AND IDENTIFY ANY ADJUSTMENTS YOU HAVE**
12 **ACCEPTED FROM STAFF?**

13 A15. Rebuttal B-2 adjustment 2, as summarized on Rebuttal Schedule B-2, page 2,
14 consists of nine adjustments labeled as "A", and "B" on Rebuttal Schedule B-2,
15 page 4.

16 Adjustment A reflects the A/D adjustments related to the removal of
17 additional not used and useful PIS, retirements, and capitalized expensed plant
18 discussed above. This adjustment reflects the adoption of Staff's
19 recommendation.⁶

20 Adjustment B reflects the adjustment necessary to reconcile the Company
21 proposed A/D balances to the detailed support schedule, Schedule B-2, pages 3.6 to
22 3.13. The adjustment is zero. This reflects that the Company's detail plant
23 schedule reflects all of the Company's proposed adjustments to A/D.

24 **Q16. ARE THERE ANY REMAINING ISSUES BETWEEN THE COMPANY**
25

26 ⁶ Brown Dt. pp. 17.

1 AND STAFF REGARDING ACCUMULATED DEPRECIATION?

2 A16. No.

3 3. Advances-in-aid of Construction (AIAC)

4 Q17. PLEASE DISCUSS THE COMPANY'S ADJUSTMENT TO THE WATER
5 DIVISION'S ADVANCES-IN-AID OF CONSTRUCTION.

6 A17. In rebuttal B-2 adjustment 3, as shown on Schedule B-2, page 2, the Company
7 proposes a reduction in AIAC of \$366,492. This adjustment reflects the adoption
8 of the Staff recommendation.⁷

9 Q18. ARE THERE ANY REMAINING ISSUES BETWEEN THE COMPANY
10 AND STAFF REGARDING AIAC?

11 A18. No.

12 4. Remaining Rate Base Issues

13 Q19. ARE THERE ANY REMAINING ISSUES BETWEEN THE COMPANY
14 AND STAFF REGARDING RATE BASE?

15 A19. No.

16
17 B. Wastewater Division Rate Base.

18 Q20. WOULD YOU PLEASE IDENTIFY THE PARTIES' RESPECTIVE RATE
19 BASE RECOMMENDATIONS FOR THE WASTEWATER DIVISION?

20 A20. Yes, for the water division the rate bases proposed by the Company and Staff are as
21 follows:

	<u>OCRB</u>	<u>FVRB</u>
22 Company-Direct	\$ 936,312	\$ 936,312
23 Staff	\$ 976,488	\$ 976,488

24
25
26 ⁷ Brown Dt. p. 18.

1 Company-Rebuttal \$ 976,488 \$ 976,488

2 **Q21. WOULD YOU PLEASE DISCUSS THE COMPANY'S PROPOSED**
3 **ORIGINAL COST RATE BASE FOR THE WATER DIVISION?**

4 A21. Yes. The Company's rebuttal rate base adjustments to the wastewater division's
5 OCRB are detailed on rebuttal schedules B-2, pages 3 through 5. Rebuttal
6 Schedule B-2, page 1 and 2, summarize the Company's proposed adjustments and
7 the rebuttal OCRB.

8 **1. Plant-in-service (PIS)**

9 **Q22. WOULD YOU PLEASE DISCUSS THE COMPANY'S PROPOSED**
10 **REBUTTAL ADJUSTMENTS TO PLANT-IN-SERVICE FOR THE WATER**
11 **DIVISION, AND IDENTIFY ANY ADJUSTMENTS YOU HAVE**
12 **ACCEPTED FROM STAFF?**

13 A22. Rebuttal B-2 adjustment 1, as summarized on Rebuttal Schedule B-2, page 2,
14 consists of seven adjustments labeled as "A", "B", and "C" on Rebuttal Schedule
15 B-2, page 3.

16 Adjustment A reflects the removal of additional not used and useful PIS.
17 This adjustment reflects the adoption of Staff's recommendation.⁸

18 Adjustment B reflects a reclassification of PIS. This adjustment reflects the
19 adoption of Staff's recommendation.⁹

20 Adjustment C reflects the adjustment necessary to reconcile the Company's
21 proposed plant balances to the detailed support schedule, Schedule B-2, pages 3.4
22 to 3.11. The adjustment is zero. This reflects that the Company's detail plant
23 schedule reflects all of the Company's proposed adjustments.

24 **Q23. ARE THERE ANY REMAINING ISSUES BETWEEN THE COMPANY**

25 ⁸ Brown Dt. p. 12.

26 ⁹ Brown Dt. at 15.

1 **AND STAFF REGARDING PIS?**

2 A23. No.

3 **2. Accumulated Depreciation (A/D)**

4 **Q24. WOULD YOU PLEASE DISCUSS THE COMPANY'S PROPOSED**
5 **ADJUSTMENTS TO ACCUMULATED DEPRECIATION FOR THE**
6 **WASTEWATER DIVISION, AND IDENTIFY ANY ADJUSTMENTS YOU**
7 **HAVE ACCEPTED FROM STAFF?**

8 A24. Rebuttal B-2 adjustment 2, as summarized on Rebuttal Schedule B-2, page 2,
9 consists of nine adjustments labeled as "A", and "B" on Rebuttal Schedule B-2,
10 page 4.

11 Adjustment A reflects the A/D adjustments related to the removal of
12 additional not used and useful PIS. This adjustment reflects the adoption of
13 Staff's recommendation.¹⁰

14 Adjustment B reflects the adjustment necessary to reconcile the Company's
15 proposed A/D balances to the detailed support schedule, Schedule B-2, pages 3.4 to
16 3.11. The adjustment is zero. This reflects that the Company's detail plant
17 schedule reflects all of the Company's proposed adjustments to A/D.

18 **Q25. ARE THERE ANY REMAINING ISSUES BETWEEN THE COMPANY**
19 **AND STAFF REGARDING ACCUMULATED DEPRECIATION?**

20 A25. No.

21 **3. Contributions-in-aid of Construction (AIAC) and Accumulated**
22 **Amortization (AA)**

23 **Q26. PLEASE DISCUSS THE COMPANY'S ADJUSTMENT TO THE**
24 **WASTEWATER DIVISION'S CONTRIBUTIONS-IN-AID OF**

25
26 ¹⁰ Brown Dt. p. 17.

1 **CONSTRUCTION AND ACCUMULATED AMORTIZATION BALANCES.**

2 A26. In rebuttal B-2 adjustment 3, as shown on Schedule B-2, page 2, the Company
3 proposes a reduction in CIAC of \$549,023 and a reduction in AA of \$26,408. This
4 adjustment reflects the adoption of the Staff recommendation.¹¹

5 **Q27. ARE THERE ANY REMAINING ISSUES BETWEEN THE COMPANY**
6 **AND STAFF REGARDING CIAC AND AA?**

7 A27. No.

8 **4. Remaining Rate Base Issues**

9 **Q28. ARE THE ANY REMAINING ISSUES BETWEEN THE COMPANY AND**
10 **STAFF REGARDING THE WASTEWATER DIVISION'S RATE BASE?**

11 A28. No.

12 **IV. INCOME STATEMENT**

13 **A. Water Division Revenues and Expenses**

14 **Q29. WOULD YOU PLEASE DISCUSS THE COMPANY'S PROPOSED**
15 **ADJUSTMENTS TO REVENUES AND EXPENSES FOR THE WATER**
16 **DIVISION AND IDENTIFY ANY ADJUSTMENTS YOU HAVE**
17 **ACCEPTED FROM STAFF?**

18 A29. The Company's rebuttal adjustments for the water division are detailed on Rebuttal
19 Schedule C-2, pages 1-8. The rebuttal income statement with adjustments is
20 summarized on Rebuttal Schedule C-1, page 1-2.

21 Rebuttal adjustment 1 reduces depreciation and amortization expense by
22 \$9,547 and reflects the depreciation on the Company's proposed PIS and CIAC.
23 This adjustment is the same as Staff's adjustment as both the Company and Staff

24
25
26 ¹¹ Brown Dt. p. 18.

1 agree on the PIS and CIAC balances as well as the depreciation and amortization
2 rates.¹²

3 Rebuttal adjustment number 2 reduces property tax expense by \$8,968 and
4 reflects the rebuttal proposed revenues. This adjustment is the same as Staff's
5 adjustment as both the Company and Staff agree on the method of computing
6 property taxes as well as the assessment ratios and property tax rates.¹³

7 Rebuttal adjustment number 3 removes revenue from projected customer
8 growth of 400 customers totaling \$178,934. This adjustment reflects the adoption
9 of Staff's recommended adjustment to revenues.¹⁴

10 Rebuttal adjustment number 4 reduces purchased power expense by \$9,503
11 which is related to the removal of 400 projected customers and the reduction in
12 purchased power required to serve those customers. This adjustment reflects the
13 adoption of Staff's recommended adjustment to purchased power.¹⁵

14 Rebuttal adjustment number 5 reduces repairs and maintenance expense by
15 \$3,387. This adjustment reflects the adoption of Staff's recommended adjustment
16 to repairs and maintenance.¹⁶

17 Rebuttal adjustment number 6 reduces contractual services – management
18 fees by \$50,000. This adjustment reflects the adoption of Staff's recommended
19 adjustment to contractual services – management fees for this case.¹⁷

20 Rebuttal adjustment number 7 increases water testing expense by \$1,240.
21 This adjustment reflects the adoption of Staff's recommended adjustment to water
22

23 ¹² Brown Dt. p. 23.

24 ¹³ Brown Dt. p. 24.

25 ¹⁴ Brown Dt. p. 19.

26 ¹⁵ Brown Dt. p. 20.

¹⁶ Brown Dt. p. 20.

¹⁷ Brown Dt. p. 21.

1 testing expense.¹⁸

2 **Q30. ARE THERE ANY REMAINING ISSUES BETWEEN STAFF AND THE**
3 **COMPANY REGARDING REVENUES AND/OR EXPENSES FOR THE**
4 **WATER DIVISION?**

5 A30. No.

6 **B. Wastewater Division Revenues and Expenses**

7 **Q31. WOULD YOU PLEASE DISCUSS THE COMPANY'S PROPOSED**
8 **ADJUSTMENTS TO REVENUES AND EXPENSES FOR THE**
9 **WASTEWATER DIVISION AND IDENTIFY ANY ADJUSTMENTS YOU**
10 **HAVE ACCEPTED FROM STAFF?**

11 A31. The Company's rebuttal adjustments for the water division are detailed on Rebuttal
12 Schedule C-2, pages 1-7. The rebuttal income statement with adjustments is
13 summarized on Rebuttal Schedule C-1, page 1-2.

14 Rebuttal adjustment 1 reduces depreciation and amortization expense by
15 \$8,943 and reflects the depreciation on the Company's proposed PIS and CIAC.
16 This adjustment is the same as Staff's adjustment as both the Company and Staff
17 agree on the PIS and CIAC balances as well as the depreciation and amortization
18 rates.¹⁹

19 Rebuttal adjustment number 2 reduces property tax expense by \$9,449 and
20 reflects the rebuttal proposed revenues. This adjustment is the same as Staff's
21 adjustment as both the Company and Staff agree on the method of computing
22 property taxes as well as the assessment ratios and property tax rates.²⁰

23
24
25 ¹⁸ Brown Dt. p. 22.

26 ¹⁹ Brown Dt. p. 23.

²⁰ Brown Dt. p. 24.

1 Rebuttal adjustment number 3 removes revenue from projected customer
2 growth of 400 customers totaling \$189,600. This adjustment reflects the adoption
3 of Staff's recommended adjustment to revenues.²¹

4 Rebuttal adjustment number 4 reduces purchased power expense by \$38,517
5 which is related to the removal of 400 customers and the reduction in purchased
6 power required. This adjustment reflects the adoption of Staff's recommended
7 adjustment to purchased power.²²

8 Rebuttal adjustment number 5 reduces contractual services – management
9 fees by \$50,000. This adjustment reflects the adoption of Staff's recommended
10 adjustment to contractual services – management fees for this case.²³

11 Rebuttal adjustment number 6 increases water testing expense by \$4,845.
12 This adjustment reflects the adoption of Staff's recommended adjustment to water
13 testing expense.²⁴

14 **Q32. ARE THERE ANY REMAINING ISSUES BETWEEN STAFF AND THE**
15 **COMPANY REGARDING REVENUES AND/OR EXPENSES FOR THE**
16 **WASTEWATER DIVISION?**

17 A32. No.

18
19
20 **V. RATE DESIGN (H SCHEDULES).**

21 **A. Water Division Rates and Rate Design.**

22 **Q33. WHAT ARE THE COMPANY'S PROPOSED RATES FOR WATER**
23 **SERVICE UNDER PLAN A?**

24 ²¹ Brown Dt. p. 19.

25 ²² Brown Dt. p. 20.

26 ²³ Brown Dt. p. 21.

²⁴ Brown Dt. p. 22.

1 A33. The Company's proposed rates are set forth on Rebuttal Schedule H-3, page 1 and
2 2.

3 **Q34. WHAT WILL BE THE AVERAGE 5/8X3/4 INCH RESIDENTIAL**
4 **CUSTOMER AVERAGE MONTHLY BILL UNDER THE NEW RATES?**

5 A34. As shown on Rebuttal Schedule H-2, page 1, the average monthly bill under
6 proposed rates for a 5/8X3/4 inch residential customer using an average 5,155
7 gallons is \$37.49 – a \$0.00 increase over the present monthly bill or a 0 percent
8 increase.

9 **Q35. ARE THERE ANY ISSUES WITH THE STAFF PROPOSED RATES.**

10 A35. Yes, but they are only housekeeping issues. Staff has not made provision for
11 bulk/construction water rates. Further, Staff has ignored the irrigation class of
12 customers in its proposed rates.

13 **1. Other Tariff Changes.**

14 **Q36. IS THERE ANY DISAGREEMENT BETWEEN THE COMPANY AND**
15 **STAFF ON THE COMPANY'S PROPOSED METER AND SERVICE LINE**
16 **INSTALLATION CHARGES?**

17 A36. No. The Company and Staff are in agreement.

18 **Q37. IS THERE ANY DISAGREEMENT BETWEEN THE COMPANY AND**
19 **STAFF ON THE COMPANY'S PROPOSED MISCELLANEOUS**
20 **CHARGES FOR THE WATER DIVISION?**

21 A37. No. The Company and Staff are in agreement.

22 **B. Wastewater Division Rates and Rate Design.**

23 **Q38. WHAT ARE THE COMPANY'S PROPOSED RATES FOR**
24 **WASTEWATER SERVICE UNDER PLAN A?**

25 A38. The Company's proposed rates are set forth on Rebuttal Schedule H-3, pages 1.
26

1 The Company's rate design and proposed rates are not the same as Staff's. The
2 Staff rates do not produce the Staff's recommended revenue requirement under
3 Plan A.

4 **Q39. WHAT WILL BE THE 5/8X3/4 INCH RESIDENTIAL CUSTOMER**
5 **MONTHLY BILL UNDER THE NEW RATES?**

6 A39. As shown on Schedule H-2, page 1, the average monthly bill under proposed rates
7 (at full phase in of rates) for a 5/8X3/4 inch customer is \$90.46 – a \$50.96 increase
8 over the present monthly bill or a 129 percent increase for this class of customer.
9 Rebuttal Schedule H-3, page 2, shows the proposed rates for the 5-year phase-in
10 period.

11
12 **1. Other Tariff Changes.**

13 **Q40. IS THERE ANY DISAGREEMENT BETWEEN THE COMPANY AND**
14 **STAFF ON THE COMPANY'S PROPOSED MISCELLANEOUS**
15 **CHARGES FOR THE WASTEWATER DIVISION?**

16 A40. No. The Company and Staff are in agreement.

17
18 **Q41. DOES THAT CONCLUDE YOUR REBUTTAL TESTIMONY ON RATE**
19 **BASE, INCOME STATEMENT, REVENUE REQUIREMENT AND RATE**
20 **DESIGN?**

21 A41. Yes.
22
23
24
25
26

Red Rock Utilities, LLC
Docket No: WS-04245A-14-0295

March 25, 2015

WATER DIVISION
SCHEDULES

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Computation of Increase in Gross Revenue
Requirements As Adjusted

Exhibit
Rebuttal Schedule A-1
Page 1
Witness: Bourassa

Line
No.

1	Fair Value Rate Base	\$	1,389,355
2			
3	Adjusted Operating Income		(2,170)
4			
5	Current Rate of Return		-0.16%
6			
7	Required Operating Income	\$	-
8			
9	Required Operating Margin		0.00%
10			
11	Operating Income Deficiency	\$	2,170
12			
13	Gross Revenue Conversion Factor		1.0169
14			
15	Increase in Gross Revenue		
16	Requirement	\$	2,207
17			
18	Adjusted Test Year Revenues	\$	353,109
19	Increase in Gross Revenue Revenue Requirement	\$	2,207
20	Proposed Revenue Requirement	\$	355,315
21	% Increase		0.62%
22			
23			

Customer Classification		Present Rates	Proposed Rates	Dollar Increase	Percent Increase
<u>(Residential Commercial, Irrigation)</u>					
27	5/8x3/4 Inch Residential	\$ 268,205	\$ 268,802	\$ 597	0.22%
28					
29	5/8x3/4 Inch Commercial	742	742	1	0.07%
30	2 Inch Commercial	11,929	11,317	(613)	-5.14%
31					
32	1 Inch Irrigation	7,206	7,362	156	2.16%
33	2 Inch Irrigation	5,201	5,291	90	1.74%
34					
35	Bulk	31,242	32,484	1,242	3.98%
36	Hydrant(standpipe)	19,341	20,184	843	
37					
38					
39					
40	Subtotal	\$ 343,866	\$ 346,182	\$ 2,316	0.67%
41					
42	Micellaneous Charges	9,276	9,276	-	0.00%
43	Reconciling Amount	(33)	(142)	(109)	330.30%
44	Rounding			-	0.00%
45	Total of Water Revenues	\$ 353,109	\$ 355,316	\$ 2,207	0.63%

46
47 SUPPORTING SCHEDULES:
48 B-1
49 C-1
50 C-3
51 H-1

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Summary of Rate Base

Exhibit
Rebuttal Schedule B-1
Page 1
Witness: Bourassa

Line No.		Original Cost Rate base	Fair Value Rate Base
1			
2	Gross Utility Plant in Service	\$ 4,919,977	\$ 4,919,977
3	Less: Accumulated Depreciation	830,053	830,053
4			
5	Net Utility Plant in Service	\$ 4,089,924	\$ 4,089,924
6			
7	<u>Less:</u>		
8	Advances in Aid of Construction	2,494,564	2,494,564
9			
10	Contributions in Aid of Construction	233,715	233,715
11			
12	Accumulated Amortization of CIAC	(27,711)	(27,711)
13			
14	Customer Meter Deposits	-	-
15	Deferred Income Taxes & Credits	-	-
16			
17			
18			
19	<u>Plus:</u>		
20	Unamortized Finance		
21	Charges	-	-
22	Deferred Tax Assets	-	-
23	Allowance for Working Capital	-	-
24			
25			
26	Total Rate Base	\$ 1,389,355	\$ 1,389,355
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41	<u>SUPPORTING SCHEDULES:</u>		
42	B-2		
43	B-3		
44	B-5		
45	E-1		
46			
47			
48			
49			
50			

Red Rock Ultiities, LLC - Water Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments

Exhibit
Rebuttal Schedule B-2
Page 1
Witness: Bourassa

Line No.		Adjusted at end of Test Year	Rebuttal Proforma Adjustment	Rebuttal Adjusted at end of Test Year
1	Gross Utility			
2	Plant in Service	\$ 5,318,335	(398,358)	\$ 4,919,977
3				
4	Less:			
5	Accumulated			
6	Depreciation	873,019	(42,966)	830,053
7				
8				
9	Net Utility Plant			
10	in Service	\$ 4,445,316		\$ 4,089,924
11				
12	Less:			
13	Advances in Aid of			
14	Construction	2,861,056	(366,492)	2,494,564
15				
16	Contributions in Aid of			
17	Construction - Gross	233,715	-	233,715
18				
19	Accumulated Amortization of CIAC	(27,711)	-	(27,711)
20				
21	Customer Meter Deposits	-		-
22	Accumulated Deferred Income Tax	-	-	-
23				-
24				-
25				-
26	Plus:			
27	Unamortized Finance			
28	Charges	-		-
29	Prepayments	-		-
30	Materials and Supplies	-		-
31	Working capital	-	-	-
32				-
33				
34	Total	<u>\$ 1,378,255</u>		<u>\$ 1,389,355</u>

45 SUPPORTING SCHEDULES:
46 B-2, pages 2
47 E-1
48
49
50

RECAP SCHEDULE:
B-1

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments

Exhibit
Rebuttal Schedule B-2
Page 2
Witness: Bourassa

Line No.		Adjusted at end of Test Year	1	Plant-in-Service	2	Proforma Adjustments			Rebuttal Adjusted at end of Test Year
						3	4	5	
					Accumulated Depreciation	AIA/C	Intentionally Left Blank	Intentionally Left Blank	
1	Gross Utility								
2	Plant in Service	\$ 5,318,335	(398,358)						\$ 4,919,977
3									
4	Less:								
5	Accumulated Depreciation	873,019	(42,966)						830,053
6									
7									
8									
9	Net Utility Plant in Service	\$ 4,445,316	\$ (398,358)	\$ 42,966	\$ -	\$ -	\$ -	\$ -	\$ 4,089,924
10									
11									
12	Less:								
13	Advances in Aid of Construction	2,861,056				(366,492)			2,494,564
14									
15									
16	Contributions in Aid of Construction (CIAC)	233,715							233,715
17									
18									
19	Accumulated Amort of CIAC	(27,711)							(27,711)
20									
21	Customer Meter Deposits	-							-
22	Accumulated Deferred Income Taxes	-							-
23									
24									
25	Plus:								
26	Unamortized Finance Charges	-							-
27									
28	Prepayments	-							-
29	Materials and Supplies	-							-
30	Allowance for Cash Working Capital	-							-
31									
32	Total	\$ 1,378,255	\$ (398,358)	\$ 42,966	\$ 366,492	\$ -	\$ -	\$ -	\$ 1,389,355
33									
34									
35									
36									
37									
38									
39									
40									

SUPPORTING SCHEDULES:
B-2, pages 3-5
E-1

RECAP SCHEDULE:
B-1

Exhibit
Rebuttal Schedule B-2
Page 3
Witness: Bourassa

Test Year Ended December 31, 2013

Original Cost Rate Base Proforma Adjustments

Adjustment Number 1

Plant-in-Service									
		Adjustments							
		A	B	C	D	E	E		
		Remove Additional Not Used and Useful Plant	Expensed Plant	Retirement	Reclassified Plant	Reconciliation to Reconstruction of PIS Balance	Intentionally Left Blank		Rebutal Adjusted Original Cost
No.	Description	Adjusted Original Cost							
1									
2									
3									
4	Acct.								
5	No.								
6	Organization Cost	54,297				-			54,297
7	Franchise Cost	73,931	(5,904)		(24,300)	-			43,727
8	Land and Land Rights	32,810	(4,694)			-			28,116
9	Structures and Improvements	8,049			134,889	-			142,938
10	Collecting and Impounding Res.	-				-			-
11	Lake River and Other Intakes	-				-			-
12	Weills and Springs	691,317			26,345	-			717,662
13	Infiltration Galleries and Tunnels	-				-			-
14	Supply Mains	-				-			-
15	Power Generation Equipment	51,082				-			-
16	Electric Pumping Equipment	-				-			51,082
17	Water Treatment Equipment	263,610		(2,561)	119,750	-			120,576
18	Water Treatment Plant	-			14,718	-			278,328
19	Chemical Solution Feeders	-				-			-
20	Dist. Reservoirs & Standpipe	858,166			(510,952)	-			-
21	Storage tanks	-				-			-
22	Pressure Tanks	-				-			347,214
23	Trans. and Dist. Mains	-				-			-
24	Services	2,343,549	(205,814)		228,710	-			228,710
25	Meters	518,785	(127,528)		3,464	-			2,141,199
26	Hydrants	154,334				-			391,257
27	Backflow Prevention Devices	208,018	(33,150)			-			154,334
28	Other Plant and Misc. Equip.	651				-			174,868
29	Office Furniture and Fixtures	5,752				-			-
30	Computers and Software	-				-			651
31	Transportation Equipment	-				-			5,752
32	Stores Equipment	8,224				-			-
33	Tools and Work Equipment	3,836				-			8,224
34	Laboratory Equipment	2,856				-			3,836
35	Power Operated Equipment	14,718			(14,718)	-			2,856
36	Communications Equipment	18,224				-			-
37	Miscellaneous Equipment	-				-			18,224
38	Other Tangible Plant	6,124				-			-
39		-				-			6,124
40		-				-			-
41	TOTALS	\$ 5,318,333	\$ (377,090)	\$ (2,561)	\$ (22,094)	\$ -	\$ -	\$ 4,919,975	
42	Adjusted Plant-in-Service per Direct							\$ 5,318,333	
43									
44	Increase (decrease) in Plant-in-Service							\$ (398,358)	
45									
46	Adjustment to Plant-in-Service							\$ (398,358)	
47									
48	SUPPORTING SCHEDULES								
49	B-2, pages 3.1-3.13								
50									

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment Number 1-A

Exhibit
Rebuttal Schedule B-2
Page 3.1
Witness: Bourassa

Additional Not Used and Useful Plant

Line

No.

1

2

3

Acct.

4

No. Description

Amount

5

302 Franchise

(5,904)

6

303 Land and Land Rights

(4,694)

7

331 Trans and Distribution Mains

(205,814)

8

333 Services

(127,528)

9

335 Hydrant

(33,150)

6

7

8

9

TOTAL

\$ (377,090)

10

11

12

Increase (decrease) in Plant-in-Service

\$ (377,090)

13

14

Adjustment to Plant-in-Service

\$ (377,090)

15

16

SUPPORTING SCHEDULES

17

Staff Schedule CSB-5

18

19

20

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment Number 1-B

Exhibit
Rebuttal Schedule B-2
Page 3.2
Witness: Bourassa

Reclassified Plant

Line

No.

1

2

3

Acct.

4

No. Description

Adjustment

5

302 Franchise

\$ (24,300)

6

304 Structures and Improvements

134,889

7

307 Wells and Springs

26,345

8

311 Electric Pumping Equipment

119,750

9

320 Water Treatment Equipment

14,718

10

330.1 Storage Tanks

(510,952)

11

330.2 Pressure Tanks

228,710

12

331 Trans and Dist Mains

3,464

13

344 Laboratory Equipment

(14,718)

14

15

TOTAL

\$ (22,094)

16

17

18

Increase (decrease) in Plant-in-Service

\$ (22,094)

19

20

Adjustment to Plant-in-Service

\$ (22,094)

21

22

SUPPORTING SCHEDULE

23

Per Staff Schedule CSB-8

24

25

26

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment Number 1-C

Exhibit
Rebuttal Schedule B-2
Page 3.3
Witness: Bourassa

Expensed Plant

Line

No.

1

2

3

Acct.

4

No. Description

Adjustment

5

311 Electric Pumping Equipment

3,387

6

7

8

9

10

11

12

13

14

15

TOTAL

\$ 3,387

16

17

18

Increase (decrease) in Plant-in-Service

\$ 3,387

19

20

Adjustment to Plant-in-Service

\$ 3,387

21

22

SUPPORTING SCHEDULE

23

Per Staff Schedule CSB-6

24

25

26

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment Number 1-C

Exhibit
Rebuttal Schedule B-2
Page 3.4
Witness: Bourassa

Retirements

Line

No.

1

2

3

Acct.

4

No. Description

Adjustment

5

311 Electric Pumping Equipment

(2,561)

6

7

8

9

10

11

12

13

14

15

TOTAL

\$ (2,561)

16

17

18

Increase (decrease) in Plant-in-Service

\$ (2,561)

19

20

Adjustment to Plant-in-Service

\$ (2,561)

21

22

SUPPORTING SCHEDULE

23

Per Staff Schedule CSB-7

24

25

26

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment Number 1-C

Reconciliation of Plant-in-service Balance to Reconstructed Balance

Line No.	Acct. No.	Description	Adjusted Original Cost	Rebuttal B-2 Adjustments	Rebuttal Adjusted Original Cost	Rebuttal Balance Per Reconstruction	Rebuttal Adjustments to Reconcile
1	301	Organization Cost	54,297	-	54,297	54,297	-
2	302	Franchise Cost	73,931	(30,204)	43,727	43,727	-
3	303	Land and Land Rights	32,810	(4,694)	28,116	28,116	-
4	304	Structures and Improvements	8,049	134,889	142,938	142,938	-
5	305	Collecting and Impounding Res.	-	-	-	-	-
6	306	Lake River and Other Intakes	-	-	-	-	-
7	307	Wells and Springs	691,317	26,345	717,662	717,662	-
8	308	Infiltration Galleries and Tunnels	-	-	-	-	-
9	309	Supply Mains	-	-	-	-	-
10	310	Power Generation Equipment	51,082	-	51,082	51,082	-
11	311	Electric Pumping Equipment	-	120,576	120,576	120,576	-
12	320	Water Treatment Equipment	263,610	14,718	278,328	278,328	-
13	320.1	Water Treatment Plant	-	-	-	-	-
14	320.2	Chemical Solution Feeders	-	-	-	-	-
15	330	Dist. Reservoirs & Standpipe	858,166	(510,952)	347,214	347,214	-
16	330.1	Storage tanks	-	-	-	-	-
17	330.2	Pressure Tanks	-	228,710	228,710	228,710	-
18	331	Trans. and Dist. Mains	2,343,549	(202,350)	2,141,199	2,141,199	-
19	333	Services	518,785	(127,528)	391,257	391,257	-
20	334	Meters	154,334	-	154,334	154,334	-
21	335	Hydrants	208,018	(33,150)	174,868	174,868	-
22	336	Backflow Prevention Devices	-	-	-	-	-
23	339	Other Plant and Misc. Equip.	651	-	651	651	-
24	340	Office Furniture and Fixtures	5,752	-	5,752	5,752	-
25	340.1	Computers and Software	-	-	-	-	-
26	341	Transportation Equipment	8,224	-	8,224	8,224	-
27	342	Stores Equipment	3,836	-	3,836	3,836	-
28	343	Tools and Work Equipment	2,856	-	2,856	2,856	-
29	344	Laboratory Equipment	14,718	(14,718)	-	-	-
30	345	Power Operated Equipment	18,224	-	18,224	18,224	-
31	346	Communications Equipment	-	-	-	-	-
32	347	Miscellaneous Equipment	6,124	-	6,124	6,124	-
33	348	Other Tangible Plant	-	-	-	-	-
34		TOTALS	\$ 5,318,333	\$ (398,358)	\$ 4,919,975	\$ 4,919,975	\$ -
35							
36							
37							
38							
39							
40							
41							
42							
43							
44		Increase (decrease) in Plant-in-Service					\$ -
45		Adjustment to Plant-in-Service					\$ -
46							
47							
48		SUPPORTING SCHEDULES					
49		B-2, pages 3					
50		B-2, pages 3.6-3.13					

Red Rock Utilities - Water Division
Plant Additions and Retirements

Exhibit
Rebuttal Schedule B-2
Page 3.6
Witness: Bourassa

NARUC Account		Description	Allowed Deprec. Rate	Plant at 12/31/2005	Accum. Deprec. At 12/31/2005	2006					Plant Additions (Per Books)	Plant Retirements (Per Books)	Retirement Adjustments	Adjusted Plant Retirements	Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.
Line No.	No.																	
1	301	Organization Cost	0.00%	-	-	186,176	(133,740)	52,436	-	-	52,436	-	-	-	-	-	52,436	-
2	302	Franchise Cost	0.00%	-	-	57,091	(1,506)	55,585	-	-	55,585	-	-	-	-	-	55,585	-
3	303	Land and Land Rights	0.00%	-	-	36,189	(3,379)	32,810	-	-	32,810	-	-	-	-	-	32,810	-
4	304	Structures & Improvements	3.33%	-	-	1,082,719	(1,077,844)	4,875	-	-	4,875	-	-	-	81	-	4,875	81
5	305	Collecting & Impounding Reservoirs	2.50%	-	-	-	174	174	-	-	-	-	-	-	2	-	174	2
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.33%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	308	Infiltration Galleries	6.67%	-	-	540,001	148,819	688,820	-	-	688,820	-	-	-	11,469	-	688,820	11,469
9	309	Raw Water Supply Mains	2.00%	-	-	-	3,068	3,068	-	-	-	-	-	-	102	-	3,068	102
10	310	Power Generation Equipment	5.00%	-	-	-	8,169	8,169	-	-	-	-	-	-	82	-	8,169	82
11	311	Pumping Equipment	12.50%	-	-	77,818	(77,818)	4,680	-	-	4,680	-	-	-	117	-	4,680	117
12	320	Water Treatment Equipment	3.33%	-	-	98,971	(4,134)	94,837	-	-	94,837	-	-	-	1,579	-	94,837	1,579
13	320.1	Water Treatment Plants	3.33%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	20.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	2.22%	-	-	10,752	1,275,016	1,285,768	-	-	1,285,768	-	-	-	14,272	-	1,285,768	14,272
16	330.1	Storage Tanks	2.22%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	330.2	Pressure Tanks	5.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	-	-	17,697	62,594	80,291	-	-	80,291	-	-	-	803	-	80,291	803
19	333	Services	3.33%	-	-	-	358	358	-	-	-	-	-	-	6	-	358	6
20	334	Meters	8.33%	-	-	-	7,000	7,000	-	-	-	-	-	-	292	-	7,000	292
21	335	Hydrants	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	336	Backflow Prevention Devices	6.67%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc Equipment	6.67%	-	-	15,416	(15,380)	36	-	-	36	-	-	-	1	-	36	1
24	340	Office Furniture & Equipment	6.67%	-	-	1,257	787	2,044	-	-	2,044	-	-	-	68	-	2,044	68
25	340.1	Computers & Software	20.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment	4.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	342	Stores Equipment	4.00%	-	-	-	8,224	-	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	5.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	344	Laboratory Equipment	10.00%	-	-	-	2,856	2,856	-	-	2,856	-	-	-	71	-	2,856	71
30	345	Power Operated Equipment	5.00%	-	-	-	14,718	14,718	-	-	-	-	-	-	736	-	14,718	736
31	346	Communication Equipment	10.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	347	Miscellaneous Equipment	10.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	4.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36		TOTALS		-	-	2,124,087	222,662	2,338,525	-	-	2,338,525	-	-	-	29,681	-	2,338,525	29,681

Unadjusted Plant Balance
Non-Depr. or Fully Depr. Plant
Depreciable Plant
Depreciation Expense
Composite Depreciation Rate

2,338,525
(140,831)
2,197,694
29,681
1.35%

Red Rock Utilities - Water Division
Plant Additions and Retirements

Exhibit
Rebuttal Schedule B-2
Page 3.7
Witness: Bourassa

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2007					Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.
				Plant Additions (Per Books)	Adjusted Plant Additions	Plant Retirements (Per Books)	Retirement Adjustments	Adjusted Plant Retirements				
1	301	Organization Cost	0.00%	1,861	1,861	-	-	-	-	-	54,297	-
2	302	Franchise Cost	0.00%	22,521	22,521	-	-	-	-	-	78,106	-
3	303	Land and Land Rights	0.00%	-	-	-	-	-	-	-	32,810	-
4	304	Structures & Improvements	3.33%	3,174	3,174	-	-	-	-	215	8,049	296
5	305	Collecting & Impounding Reservoirs	2.50%	-	-	-	-	-	-	4	174	7
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.33%	48,899	48,899	-	-	-	-	23,752	737,719	35,221
8	308	Infiltration Galleries	6.67%	-	-	-	-	-	-	205	3,068	307
9	309	Raw Water Supply Mains	2.00%	-	-	-	-	-	-	163	8,169	245
10	310	Power Generation Equipment	5.00%	-	-	-	-	-	-	234	4,680	351
11	311	Pumping Equipment	12.50%	-	-	-	-	-	-	-	-	-
12	320	Water Treatment Plants	3.33%	351,455	351,455	-	-	-	-	9,010	446,292	10,589
13	320.1	Solution Chemical Feeders	3.33%	-	-	-	-	-	-	-	-	-
14	320.2	Distribution Reservoirs & Standpipes	20.00%	-	-	-	-	-	-	-	-	-
15	330	Storage Tanks	2.22%	168,750	168,750	-	-	-	-	30,417	1,454,518	44,689
16	330.1	Pressure Tanks	5.00%	-	-	-	-	-	-	-	-	-
17	330.2	Transmission & Distribution Mains	2.00%	1,297,319	1,297,319	-	-	-	-	14,579	1,377,610	15,382
18	331	Services	3.33%	296,470	296,470	-	-	-	-	4,948	296,828	4,954
19	333	Meters	8.33%	62,390	62,390	-	-	-	-	3,162	69,390	3,473
20	334	Hydrants	2.00%	122,807	122,807	-	-	-	-	1,228	122,807	1,228
21	335	Backflow Prevention Devices	6.67%	-	-	-	-	-	-	-	-	-
22	336	Other Plant & Misc Equipment	6.67%	615	615	-	-	-	-	23	651	24
23	339	Office Furniture & Equipment	6.67%	3,063	3,063	-	-	-	-	238	5,107	307
24	340	Computers & Software	20.00%	-	-	-	-	-	-	-	-	-
25	340.1	Transportation Equipment	20.00%	-	-	-	-	-	-	-	-	-
26	341	Stores Equipment	4.00%	8,224	8,224	-	-	-	-	822	8,224	822
27	342	Tools, Shop & Garage Equipment	5.00%	3,836	3,836	-	-	-	-	77	3,836	77
28	343	Laboratory Equipment	10.00%	-	-	-	-	-	-	143	2,856	214
29	344	Power Operated Equipment	5.00%	-	-	-	-	-	-	1,472	14,718	2,208
30	345	Communication Equipment	10.00%	18,224	18,224	-	-	-	-	456	18,224	456
31	346	Miscellaneous Equipment	10.00%	-	-	-	-	-	-	-	-	-
32	347	Other Tangible Plant	4.00%	-	-	-	-	-	-	-	-	-
33	348			-	-	-	-	-	-	-	-	-
34				-	-	-	-	-	-	-	-	-
35				-	-	-	-	-	-	-	-	-
36		TOTALS		2,409,608	2,409,608	-	-	-	-	91,168	4,748,133	120,849

Unadjusted Plant Balance
Non-Depr. or Fully Depr. Plant
Depreciable Plant
Depreciation Expense
Composite Depreciation Rate

4,748,133
(165,213)
4,582,920
91,168
1.99%

Exhibit
Rebuttal Schedule B-2
Page 3.8
Witness: Bourassa

Unadjusted Plant Balance
Non-Depr. or Fully Depr. Plant
Depreciable Plant
Depreciation Expense
Composite Depreciation Rate

Red Rock Utilities - Water Division
Plant Additions and Retirements

Exhibit
Rebuttal Schedule B-2
Page 39
Witness: Bourassa

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2009					Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.
				Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Retirement Adjustments				
1	301	Organization Cost	0.00%	-	-	-	-	-	-	-	54,297	-
2	302	Franchise Cost	0.00%	-	-	-	-	-	-	-	95,236	-
3	303	Land and Land Rights	0.00%	-	-	-	-	-	-	-	32,810	-
4	304	Structures & Improvements	3.33%	11,835	-	11,835	-	-	-	465	19,884	1,029
5	305	Collecting & Impounding Reservoirs	2.50%	-	-	-	-	-	-	4	174	15
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.33%	-	-	-	-	-	-	-	-	-
8	308	Infiltration Galleries	6.67%	-	-	-	-	-	-	24,566	737,719	84,353
9	309	Raw Water Supply Mains	2.00%	-	-	-	-	-	-	205	3,068	716
10	310	Power Generation Equipment	5.00%	-	-	-	-	-	-	163	8,169	572
11	311	Pumping Equipment	12.50%	-	-	-	-	-	-	234	4,680	819
12	320	Water Treatment Plants	3.33%	83,109	-	83,109	-	-	-	17,699	573,066	43,877
13	320.1	Water Treatment Plants	3.33%	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	20.00%	-	-	-	-	-	-	32,290	1,454,518	109,270
15	330	Distribution Reservoirs & Standpipes	2.22%	-	-	-	-	-	-	-	-	-
16	330.1	Storage Tanks	2.22%	-	-	-	-	-	-	-	-	-
17	330.2	Pressure Tanks	5.00%	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	957,597	-	957,597	-	-	-	37,128	2,335,207	80,062
19	333	Services	3.33%	221,957	-	221,957	-	-	-	13,580	518,785	28,418
20	334	Meters	8.33%	15,996	-	15,996	-	-	-	9,826	125,958	20,768
21	335	Hydrants	2.00%	84,363	-	84,363	-	-	-	3,317	205,018	7,009
22	336	Backflow Prevention Devices	6.67%	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc Equipment	6.67%	-	-	-	-	-	-	43	651	111
24	340	Office Furniture & Equipment	6.67%	645	-	645	-	-	-	362	5,752	1,009
25	340.1	Computers & Software	20.00%	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment	20.00%	-	-	-	-	-	-	-	-	-
27	342	Stores Equipment	4.00%	-	-	-	-	-	-	1,645	8,224	4,112
28	343	Tools, Shop & Garage Equipment	5.00%	-	-	-	-	-	-	153	3,836	384
29	344	Laboratory Equipment	10.00%	-	-	-	-	-	-	143	2,856	500
30	345	Power Operated Equipment	5.00%	-	-	-	-	-	-	1,472	14,718	5,151
31	346	Communication Equipment	10.00%	-	-	-	-	-	-	911	18,224	2,278
32	347	Miscellaneous Equipment	10.00%	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	4.00%	-	-	-	-	-	-	-	-	-
34				-	-	-	-	-	-	-	-	-
35				-	-	-	-	-	-	-	-	-
36		TOTALS		1,375,502	-	1,375,502	-	-	-	144,208	6,225,850	390,456

Unadjusted Plant Balance
Non-Depr. or Fully Depr. Plant
Depreciable Plant
Depreciation Expense
Composite Depreciation Rate

6,225,850
(182,343)
6,043,507
144,208
2.39%

Red Rock Utilities - Water Division
Plant Additions and Retirements

Exhibit
Rebuttal Schedule B-2
Page 3-10
Witness: Bourassa

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2010					Accum. Deprec.
				Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Retirement Adjustments	Adjusted Plant Retirements
1	301	Organization Cost	0.00%	-	-	-	-	-	-
2	302	Franchise Cost	0.00%	-	-	-	-	-	-
3	303	Land and Land Rights	0.00%	-	-	-	-	-	-
4	304	Structures & Improvements	3.33%	-	-	-	-	-	-
5	305	Collecting & Impounding Reservoirs	2.50%	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-	-
7	307	Wells & Springs	3.33%	-	-	-	-	-	-
8	308	Infiltration Galleries	6.67%	-	-	-	-	-	-
9	309	Raw Water Supply Mains	2.00%	-	-	-	-	-	-
10	310	Power Generation Equipment	5.00%	-	-	-	-	-	-
11	311	Pumping Equipment	12.50%	-	-	-	-	-	-
12	320	Water Treatment Equipment	3.33%	-	-	-	-	-	-
13	320.1	Water Treatment Plants	3.33%	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	20.00%	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	2.22%	-	-	-	-	-	-
16	330.1	Storage Tanks	2.22%	-	-	-	-	-	-
17	330.2	Pressure Tanks	5.00%	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	-	-	-	-	-	-
19	333	Services	3.33%	-	-	-	-	-	-
20	334	Meters	8.33%	-	-	-	-	-	-
21	335	Hydrants	2.00%	-	-	-	-	-	-
22	336	Backflow Prevention Devices	6.67%	-	-	-	-	-	-
23	339	Other Plant & Misc Equipment	6.67%	-	-	-	-	-	-
24	340	Office Furniture & Equipment	6.67%	-	-	-	-	-	-
25	340.1	Computers & Software	20.00%	-	-	-	-	-	-
26	341	Transportation Equipment	4.00%	-	-	-	-	-	-
27	342	Stores Equipment	4.00%	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	5.00%	-	-	-	-	-	-
29	344	Laboratory Equipment	10.00%	-	-	-	-	-	-
30	345	Power Operated Equipment	10.00%	-	-	-	-	-	-
31	346	Communication Equipment	10.00%	-	-	-	-	-	-
32	347	Miscellaneous Equipment	10.00%	-	-	-	-	-	-
33	348	Other Tangible Plant	4.00%	-	-	-	-	-	-
34				-	-	-	-	-	-
35				-	-	-	-	-	-
36		TOTALS		5,384	-	5,384	-	-	551,271

Unadjusted Plant Balance
Non-Depr. or Fully Depr. Plant
Depreciable Plant
Depreciation Expense
Composite Depreciation Rate

6,231,234
(182,343)
6,048,891
160,816
2.66%

Red Rock Utilities - Water Division
Plant Additions and Retirements

Exhibit
Rebuttal Schedule B-2
Page 3.11
Witness: Bourassa

NARUC Account			Allowed Deprec. Rate	2011								
Line No.	Description	Plant Additions (Per Books)		Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Retirement Adjustments	Adjusted Plant Retirements	Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.
1	301	Organization Cost	0.00%	-	-	-	-	-	-	-	54,297	-
2	302	Franchise Cost	0.00%	-	-	-	-	-	-	-	95,236	-
3	303	Land and Land Rights	0.00%	-	-	-	-	-	-	-	32,810	-
4	304	Structures & Improvements	3.33%	-	(11,835)	(11,835)	-	-	-	465	8,049	2,157
5	305	Collecting & Impounding Reservoirs	2.50%	-	(174)	(174)	-	-	-	2	-	22
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.33%	-	(46,402)	(46,402)	-	-	-	-	691,317	-
8	308	Infiltration Galleries	6.67%	-	(3,068)	(3,068)	-	-	-	102	-	132,712
9	309	Raw Water Supply Mains	2.00%	-	(8,169)	(8,169)	-	-	-	82	51,082	1,023
10	310	Power Generation Equipment	5.00%	-	46,402	46,402	-	-	-	1,394	-	2,447
11	311	Pumping Equipment	12.50%	-	-	-	-	-	-	-	-	-
12	320	Water Treatment Equipment	3.33%	-	-	-	-	-	-	19,083	573,066	82,043
13	320.1	Water Treatment Plants	3.33%	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	20.00%	-	-	-	-	-	-	32,290	1,454,518	173,850
15	330	Distribution Reservoirs & Standpipes	2.22%	-	-	-	-	-	-	-	-	-
16	330.1	Storage Tanks	2.22%	-	-	-	-	-	-	-	-	-
17	330.2	Pressure Tanks	5.00%	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	-	8,342	8,342	-	-	-	46,788	2,343,549	173,554
19	333	Services	3.33%	-	-	-	-	-	-	17,276	518,785	62,970
20	334	Meters	8.33%	5,084	-	-	-	-	-	11,153	136,426	42,638
21	335	Hydrants	2.00%	-	-	-	-	-	-	4,160	208,018	15,330
22	336	Backflow Prevention Devices	6.67%	-	-	-	-	-	-	-	651	198
23	339	Other Plant & Misc. Equipment	6.67%	-	-	-	-	-	-	43	-	-
24	340	Office Furniture & Equipment	6.67%	-	-	-	-	-	-	384	5,732	1,777
25	340.1	Computers & Software	20.00%	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment	20.00%	-	-	-	-	-	-	-	-	-
27	342	Stores Equipment	4.00%	-	-	-	-	-	-	1,645	8,224	7,402
28	343	Tools, Shop & Garage Equipment	5.00%	-	-	-	-	-	-	153	3,836	690
29	344	Laboratory Equipment	10.00%	-	-	-	-	-	-	143	2,856	785
30	345	Power Operated Equipment	5.00%	-	-	-	-	-	-	1,472	14,718	8,095
31	346	Communication Equipment	10.00%	-	-	-	-	-	-	911	18,224	4,100
32	347	Miscellaneous Equipment	10.00%	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	4.00%	-	-	-	-	-	-	-	-	-
34				-	-	-	-	-	-	-	-	-
35				-	-	-	-	-	-	-	-	-
36		TOTALS		5,084	(14,904)	(9,820)	-	-	-	161,339	6,221,414	74,084

Unadjusted Plant Balance
Non-Depr. or Fully Depr. Plant
Depreciable Plant
Depreciation Expense
Composite Depreciation Rate

6,221,414
(182,343)
6,039,071
161,339
2.67%

Red Rock Utilities - Water Division
Plant Additions and Retirements

Exhibit
Rebuttal Schedule B-2
Page 3.12
Witness: Bourassa

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Retirement Adjustments	Adjusted Plant Retirements	Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.
1	301	Organization Cost	0.00%	-	-	-	-	-	-	-	-	54,297	-
2	302	Franchise Cost	0.00%	-	-	-	-	-	-	-	-	95,236	-
3	303	Land and Land Rights	0.00%	-	-	-	-	-	-	-	-	32,810	-
4	304	Structures & Improvements	3.33%	-	-	-	-	-	-	-	-	8,049	2,425
5	305	Collecting & Impounding Reservoirs	2.50%	-	-	-	-	-	-	-	-	-	22
6	306	Lake, River, Canal Intakes	3.33%	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.33%	-	-	-	-	-	-	-	-	-	-
8	308	Infiltration Galleries	6.67%	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	2.00%	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment	5.00%	-	-	-	-	-	-	-	-	-	-
11	311	Pumping Equipment	12.50%	-	-	-	-	-	-	-	-	-	-
12	320	Water Treatment Equipment	3.33%	-	-	-	-	-	-	-	-	-	-
13	320.1	Water Treatment Plants	3.33%	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	20.00%	-	-	-	-	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	2.22%	-	-	-	-	-	-	-	-	-	-
16	330.1	Storage Tanks	2.22%	-	-	-	-	-	-	-	-	-	-
17	330.2	Pressure Tanks	5.00%	-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	-	-	-	-	-	-	-	-	-	-
19	333	Services	3.33%	-	-	-	-	-	-	-	-	-	-
20	334	Meters	8.33%	-	-	-	-	-	-	-	-	-	-
21	335	Hydrants	2.00%	-	-	-	-	-	-	-	-	-	-
22	336	Backflow Prevention Devices	6.67%	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc Equipment	6.67%	-	-	-	-	-	-	-	-	-	-
24	340	Office Furniture & Equipment	6.67%	-	-	-	-	-	-	-	-	-	-
25	340.1	Computers & Software	20.00%	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment	20.00%	-	-	-	-	-	-	-	-	-	-
27	342	Stores Equipment	4.00%	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	5.00%	-	-	-	-	-	-	-	-	-	-
29	344	Laboratory Equipment	10.00%	-	-	-	-	-	-	-	-	-	-
30	345	Power Operated Equipment	5.00%	-	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	10.00%	-	-	-	-	-	-	-	-	-	-
32	347	Miscellaneous Equipment	4.00%	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	-	-	-	-	-	-	-	-	-	-	-
34				-	-	-	-	-	-	-	-	-	-
35				-	-	-	-	-	-	-	-	-	-
36		TOTALS		13,376	-	13,376	-	-	-	-	161,424	6,234,790	874,035

Unadjusted Plant Balance
Non-Depr. or Fully Depr. Plant
Depreciable Plant
Depreciation Expense
Composite Depreciation Rate

6,234,790
(182,343)
6,052,447
161,424
2.67%

Red Rock Utilities - Water Division
Plant Additions and Retirements

Exhibit
Rebuttal Schedule B-2
Page 3.13
Witness: Bourassa

Line No.		MARUC No.		Description		Allowed Deprec. Rate	Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Retirement Adjustments	Adjusted Plant Retirements	Salvage A/D Only	Depreciation (Calculated)	PIS Adjustment	Excess Capacity A/D Adjustment	Additional Staff A/D Adjustments	Plant Balance	Accum. Deprec.
1	301			Organization Cost		0.00%												54,297	-
2	302			Franchise Cost		0.00%												43,727	-
3	303			Land and Land Rights		0.00%												28,116	-
4	304			Structures & Improvements		3.33%												134,889	2,693
5	305			Collecting & Impounding Reservoirs		2.50%												-	22
6	306			Lake, River, Canal Intakes		2.50%												-	-
7	307			Wells & Springs		3.33%												717,662	178,754
8	308			Infiltration Galleries		6.67%												-	1,023
9	309			Raw Water Supply Mains		2.00%												-	817
10	310			Power Generation Equipment		5.00%												51,082	7,555
11	311			Pumping Equipment		12.50%												120,576	(2,349)
12	320			Water Treatment Plants		3.33%												278,328	55,296
13	320.1			Water Treatment Plants		3.33%												-	-
14	320.2			Solution Chemical Feeders		20.00%												-	-
15	330			Distribution Reservoirs & Standpipes		2.22%												-	-
16	330.1			Storage Tanks		2.22%												-	-
17	330.2			Pressure Tanks		5.00%												-	-
18	331			Transmission & Distribution Mains		2.00%												347,214	140,674
19	333			Services		3.33%												-	-
20	334			Meters		8.33%												228,710	-
21	335			Hydrants		2.00%												2,141,199	243,773
22	336			Backflow Prevention Devices		6.67%												391,257	78,411
23	339			Other Plant & Misc Equipment		6.67%												154,334	66,717
24	340			Office Furniture & Equipment		6.67%												174,868	20,667
25	340.1			Computers & Software		20.00%												651	285
26	341			Transportation Equipment		20.00%												5,752	2,544
27	342			Stores Equipment		4.00%												8,224	8,224
28	343			Tools, Shop & Garage Equipment		5.00%												3,858	997
29	344			Laboratory Equipment		10.00%												2,856	1,071
30	345			Power Operated Equipment		5.00%												-	11,039
31	346			Communication Equipment		10.00%												18,224	5,923
32	347			Miscellaneous Equipment		10.00%												6,124	919
33	348			Other Tangible Plant		4.00%												-	-
34																		-	-
35																		-	-
36				TOTALS			10,556		10,556					161,654	(927,113)	(398,358)	(42,966)	4,919,975	830,053

Unadjusted Plant Balance
Non-Depr. or Fully Depr. Plant
Depreciable Plant
Depreciation Expense
Composite Depreciation Rate

5,825,783
(128,140)
5,697,643
161,654
2.84%

Exhibit
Rebuttal Schedule B-2
Page 4
Witness: Bourassa

Accumulated Depreciation

SUPPORTING SCHEDULES

B-2, pages 4.1, 4.2
B-2, pages 3.1 to 3.13

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment Number 2-A

Exhibit
Rebuttal Schedule B-2
Page 4.1
Witness: Bourassa

Additional Plant Not Used and Useful

Line

No.

1

2

3

Acct.

4

No. Description

Adjustment

5

311 Pumping Equipment

(2,561)

6

311 Pumping Equipment

212

7

331 Trans and Dist Mains

(18,523)

8

333 Services

(19,110)

9

335 Hydrants

(2,984)

10

11

12

13

14

TOTAL

\$ (42,966)

15

16

17

Increase (decrease) in A/D

\$ (42,966)

18

19

Adjustment to A/D

\$ (42,966)

20

21

SUPPORTING SCHEDULES

22

Staff Schedule CSB-9

23

24

25

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment Number 2-B

Reconciliation of Accumulated Depreciation (A/D) Balance to Reconstructed Balance

Line No.	Acct. No.	Description	Adjusted A/D Balance	Rebuttal B-2 Adjustments	Rebuttal Adjusted A/D Balance	Rebuttal A/D Balance Per Reconstruction	Rebuttal Adjustments to Reconcile
1	301	Organization Cost	-	-	-	-	-
2	302	Franchise Cost	-	-	-	-	-
3	303	Land and Land Rights	-	-	-	-	-
4	304	Structures and Improvements	2,693	-	2,693	2,693	-
5	305	Collecting and Impounding Res.	22	-	22	22	-
6	306	Lake River and Other Intakes	-	-	-	-	-
7	307	Wells and Springs	178,754	-	178,754	178,754	-
8	308	Infiltration Galleries and Tunnels	1,023	-	1,023	1,023	-
9	309	Supply Mains	817	-	817	817	-
10	310	Power Generation Equipment	7,555	-	7,555	7,555	-
11	311	Electric Pumping Equipment	-	(2,349)	(2,349)	(2,349)	-
12	312	Water Treatment Equipment	55,296	-	55,296	55,296	-
13	313	Water Treatment Plant	-	-	-	-	-
14	314	Chemical Solution Feeders	-	-	-	-	-
15	315	Dist. Reservoirs & Standpipe	140,674	-	140,674	140,674	-
16	316	Storage tanks	-	-	-	-	-
17	317	Pressure Tanks	-	-	-	-	-
18	318	Trans. and Dist. Mains	267,296	-	267,296	267,296	-
19	319	Services	97,521	(18,523)	78,998	78,998	-
20	320	Meters	66,717	(19,110)	47,607	47,607	-
21	321	Hydrants	23,651	(2,984)	20,667	20,667	-
22	322	Backflow Prevention Devices	-	-	-	-	-
23	323	Other Plant and Misc. Equip.	285	-	285	285	-
24	324	Office Furniture and Fixtures	2,544	-	2,544	2,544	-
25	325	Computers and Software	-	-	-	-	-
26	326	Transportation Equipment	8,224	-	8,224	8,224	-
27	327	Stores Equipment	997	-	997	997	-
28	328	Tools and Work Equipment	1,071	-	1,071	1,071	-
29	329	Laboratory Equipment	11,039	-	11,039	11,039	-
30	330	Power Operated Equipment	5,923	-	5,923	5,923	-
31	331	Communications Equipment	-	-	-	-	-
32	332	Miscellaneous Equipment	919	-	919	919	-
33	333	Other Tangible Plant	-	-	-	-	-
34	334	TOTALS	\$ 873,019	\$ (42,966)	\$ 830,053	\$ 830,053	\$ -
35	335	Increase (decrease) in A/D					\$ -
36	336	Adjustment to A/D					\$ -

SUPPORTING SCHEDULES

B-2, pages 4
B-2, pages 3.6-3.13

Red Rock Ultiities, LLC - Water Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment 3

Exhibit
Rebuttal Schedule B-2
Page 5
Witness: Bourassa

Line

No.

1 Remove AIAC related to Excess Capacity

2

3

4 Staff recommended Adjustment

\$ (366,492)

5

6

7

8 Increase(decrease) in AIAC

\$ (366,492)

9

10

11

12

13

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17

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21 REFERENCE

22 Per Staff

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Red Rock Ultiities, LLC - Water Division
Test Year Ended December 31, 2013
Computation of Working Capital

Exhibit
Rebuttal Schedule B-5
Page 1
Witness: Bourassa

Line
No.

1	Cash Working Capital (1/8 of Allowance		
2	Operation and Maintenance Expense)	\$	21,956
3	Pumping Power (1/24 of Pumping Power)		843
4	Purchased Water (1/24 of Purchased Water)		-
5	Prepaid Expenses		
6			
7			
8			
9	Total Working Capital Allowance	<u>\$</u>	<u>22,798</u>
10			
11			
12	Working Capital Requested	<u>\$</u>	<u>-</u>
13			
14			
15			
16			
17		<u>Adjusted Test Year</u>	
18	Total Operating Expense	\$	355,279
19	Less:		
20	Income Tax	\$	-
21	Property Tax		17,600
22	Depreciation		141,812
23	Purchased Water		-
24	Pumping Power		20,220
25	Allowable Expenses	<u>\$</u>	<u>175,647</u>
26	1/8 of allowable expenses	<u>\$</u>	<u>21,956</u>

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SUPPORTING SCHEDULES:
E-1

RECAP SCHEDULES:
B-1

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Income Statement

Exhibit
Rebuttal Schedule C-1
Page 1
Witness: Bourassa

Line No.		Test Year Adjusted Results	Rebuttal Adjustment	Rebuttal Test Year Adjusted Results	Rebuttal Proposed Rate Increase	Rebuttal Adjusted with Rate Increase
1	Revenues					
2	Metered Water Revenues	\$ 523,770	\$ (179,937)	\$ 343,833	\$ 2,207	\$ 346,039
3	Unmetered Water Revenues	-	-	-	-	-
4	Other Water Revenues	9,276	-	9,276	-	9,276
5		<u>\$ 533,046</u>	<u>\$ (179,937)</u>	<u>\$ 353,109</u>	<u>\$ 2,207</u>	<u>\$ 355,315</u>
6	Operating Expenses					
7	Salaries and Wages	\$ 45,670	-	\$ 45,670	-	\$ 45,670
8	Employee Pensions and Benefits	1,564	-	1,564	-	1,564
9	Purchased Water	-	-	-	-	-
10	Purchased Power	29,723	(9,503)	20,220	-	20,220
11	Chemicals	2,365	-	2,365	-	2,365
12	Repairs and Maintenance	37,989	(3,387)	34,602	-	34,602
13	Office Supplies and Expense	884	-	884	-	884
14	Contractual Services - Engineering	-	-	-	-	-
15	Contractual Services - Mgmt Fee	60,000	(50,000)	10,000	-	10,000
16	Contractual Services - Legal & Accounting	27,776	-	27,776	-	27,776
17	Contractual Services - Other	16,914	-	16,914	-	16,914
18	Contractual Services - Water Testing	1,378	1,240	2,618	-	2,618
19	Rents	-	-	-	-	-
20	Transportation Expenses	-	-	-	-	-
21	Insurance - Vehicle	-	-	-	-	-
22	Insurance - General Liability	11,438	-	11,438	-	11,438
23	Insurance - Worker's Comp	-	-	-	-	-
24	Regulatory Commission Expense	-	-	-	-	-
25	Regulatory Commission Expense - Rate Ca	5,000	-	5,000	-	5,000
26	Bad Debt Expense	-	-	-	-	-
27	Miscellaneous Expense	13,358	-	13,358	-	13,358
28	Sales Tax Expense	-	-	-	-	-
29	Depreciation Expense	132,265	9,547	141,812	-	141,812
30	Taxes Other Than Income	3,458	-	3,458	-	3,458
31	Property Taxes	26,568	(8,968)	17,600	37	17,636
32	Income Tax	-	-	-	-	-
33						
34	Total Operating Expenses	<u>\$ 416,350</u>	<u>\$ (61,072)</u>	<u>\$ 355,279</u>	<u>\$ 37</u>	<u>\$ 355,315</u>
35	Operating Income	<u>\$ 116,695</u>	<u>\$ (118,865)</u>	<u>\$ (2,170)</u>	<u>\$ 2,170</u>	<u>\$ -</u>
36	Other Income (Expense)					
37	Interest Income	4,859	-	4,859	-	4,859
38	Other income	-	-	-	-	-
39	Interest Expense	-	-	-	-	-
40	Other Expense	-	-	-	-	-
41		-	-	-	-	-
42	Total Other Income (Expense)	<u>\$ 4,859</u>	<u>\$ -</u>	<u>\$ 4,859</u>	<u>\$ -</u>	<u>\$ 4,859</u>
43	Net Profit (Loss)	<u><u>\$ 121,554</u></u>	<u><u>\$ (118,865)</u></u>	<u><u>\$ 2,689</u></u>	<u><u>\$ 2,170</u></u>	<u><u>\$ 4,859</u></u>

SUPPORTING SCHEDULES:
C-1, page 2

RECAP SCHEDULES:
A-1

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Income Statement

Exhibit
Rebuttal Schedule C-1
Page 2
Witness: Bourassa

Line No.	Revenues	1 Depreciation	2 Property Taxes	3 Remove Annualized Revenues Projected Growth	4 Purchased Power	5 Repairs and Maintenance	6 Contractual Services	7 Water Testing	8 Rebuttal Test Year Adjusted Results	9 Rebuttal Proposed Rate Increase	10 Rebuttal Adjusted with Rate Increase
1	Metered Water Revenues										
2	Unmetered Water Revenues										
3	Other Water Revenues										
4											
5											
6	Operating Expenses										
7	Salaries and Wages										
8	Employee Pensions and Benefits										
9	Purchased Water										
10	Chemicals										
11	Repairs and Maintenance										
12	Office Supplies and Expense										
13	Contractual Services - Engineering										
14	Contractual Services - Mgmt Fee										
15	Contractual Services - Legal & Acctg										
16	Contractual Services - Other										
17	Contractual Services - Water Testing										
18	Rents										
19	Transportation Expenses										
20	Insurance - Vehicle										
21	Insurance - General Liability										
22	Insurance - Worker's Comp										
23	Reg. Comm. Expense										
24	Reg. Comm. Expense - Rate Case										
25	Bad Debt Expense										
26	Miscellaneous Expense										
27	Sales Tax Expense										
28	Depreciation Expense										
29	Taxes Other Than Income										
30	Property Taxes										
31	Income Tax										
32											
33											
34											
35	Total Operating Expenses										
36	Operating Income										
37	Other Income (Expense)										
38	Interest Income										
39	Other Income										
40	Interest Expense										
41	Other Expense										
42											
43	Total Other Income (Expense)										
44	Net Profit (Loss)										
45											
46	SUPPORTING SCHEDULES:										
47	C-2										
48											

RECAP SCHEDULES:
C-1, page 1

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Adjustments to Revenues and Expenses

Exhibit
Rebuttal Schedule C-2
Page 1
Witness: Bourassa

Line No.	1	2	3	4	5	6	Subtotal
			Remove Annualized		Repairs and		
		Property	Revenues	Purchased	Maintenance	Contractual	
	<u>Depreciation</u>	<u>Taxes</u>	<u>Projected Growth</u>	<u>Power</u>		<u>Services</u>	
Revenues				-	-		-
Expenses	9,547	(8,968)	-		-	(50,000)	(49,422)
Operating Income	(9,547)	8,968	-	-	-	50,000	49,422
Interest Expense							-
Other Income / Expense						-	-
Net Income	(9,547)	8,968	-	-	-	50,000	49,422

Line No.	7	8	9	10	11	12	Subtotal
		Intentionally	Intentionally	Intentionally	Intentionally	Intentionally	
	<u>Water Testing</u>	<u>Left Blank</u>	<u>Left Blank</u>	<u>Left Blank</u>	<u>Left Blank</u>	<u>Left Blank</u>	
Revenues							-
Expenses	1,240	-					(48,182)
Operating Income	(1,240)	-	-	-	-	-	48,182
Interest Expense	-						-
Other Income / Expense							-
Net Income	(1,240)	-	-	-	-	-	48,182

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Adjustments to Revenues and Expenses
Adjustment Number 1

Exhibit
Rebuttal Schedule C-2
Page 2
Witness: Bourassa

Depreciation Expense

Line No.	Acct.	No.	Description	Adjusted Original Cost	Fully Depr/ Non-Depr	Depreciable Cost	Proposed Rates	Depreciation Expense
1								
2								
3								
4								
5		301	Organization Cost	54,297	(54,297)	-	0.00%	-
6		302	Franchise Cost	43,727	(43,727)	-	0.00%	-
7		303	Land and Land Rights	28,116	(28,116)	-	0.00%	-
8		304	Structures and Improvements	142,938		142,938	3.33%	4,760
9		305	Collecting and Impounding Res.	-		-	2.50%	-
10		306	Lake River and Other Intakes	-		-	2.50%	-
11		307	Wells and Springs	717,662		717,662	3.33%	23,898
12		308	Infiltration Galleries and Tunnels	-		-	6.67%	-
13		309	Supply Mains	-		-	2.00%	-
14		310	Power Generation Equipment	51,082		51,082	5.00%	2,554
15		311	Electric Pumping Equipment	120,576		120,576	12.50%	15,072
16		320	Water Treatment Equipment	278,328		278,328	3.33%	9,268
17		320.1	Water Treatment Plant	-		-	3.33%	-
18		320.2	Chemical Solution Feeders	-		-	20.00%	-
19		330	Dist. Reservoirs & Standpipe	347,214		347,214	2.22%	7,708
20		330.1	Storage tanks	-		-	2.22%	-
21		330.2	Pressure Tanks	228,710		228,710	5.00%	11,436
22		331	Trans. and Dist. Mains	2,141,199		2,141,199	2.00%	42,824
23		333	Services	391,257		391,257	3.33%	13,029
24		334	Meters	154,334		154,334	8.33%	12,856
25		335	Hydrants	174,868		174,868	2.00%	3,497
26		336	Backflow Prevention Devices	-		-	6.67%	-
27		339	Other Plant and Misc. Equip.	651		651	6.67%	43
28		340	Office Furniture and Fixtures	5,752		5,752	6.67%	384
29		340.1	Computers and Software	-		-	20.00%	-
30		341	Transportation Equipment	8,224	(8,224)	-	20.00%	-
31		342	Stores Equipment	3,836		3,836	4.00%	153
32		343	Tools and Work Equipment	2,856		2,856	5.00%	143
33		344	Laboratory Equipment	-		-	10.00%	-
34		345	Power Operated Equipment	18,224		18,224	5.00%	911
35		346	Communications Equipment	-		-	10.00%	-
36		347	Miscellaneous Equipment	6,124		6,124	10.00%	612
37		348	Other Tangible Plant	-		-	10.00%	-
38			TOTALS	\$ 4,919,975	\$ (134,364)	\$ 4,785,611		\$ 149,149
39								
40								
41			Less: Amortization of Contributions			Gross CIAC \$ 233,715	Amort. Rate 3.1400%	\$ (7,338)
42			Total Depreciation Expense					\$ 141,812
43								
44			Adjusted Test Year Depreciation Expense					132,265
45								
46			Increase (decrease) in Depreciation Expense					9,547
47								
48			Adjustment to Revenues and/or Expenses					\$ 9,547
49								
50			SUPPORTING SCHEDULE					
51			B-2, page 3					

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Adjustment to Revenues and Expenses
Adjustment Number 2

Exhibit
Rebuttal Schedule
Page 3
Witness: Bourassa

Property Taxes

Line No.	DESCRIPTION	Test Year as adjusted	Company Recommended
1	Company Adjusted Test Year Revenues - 2007	\$ 353,109	\$ 353,109
2	Weight Factor	2	2
3	Subtotal (Line 1 * Line 2)	706,217	706,217
4	Company Recommended Revenue	353,109	355,315
5	Subtotal (Line 4 + Line 5)	1,059,326	1,061,533
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	353,109	353,844
8	Department of Revenue Multiplier	2	2
9	Revenue Base Value (Line 7 * Line 8)	706,217	707,688
10	Plus: 10% of CWIP - 2010	-	-
11	Less: Net Book Value of Licensed Vehicles	0	0
12	Full Cash Value (Line 9 + Line 10 - Line 11)	706,217	707,688
13	Assessment Ratio	18.0%	18.0%
14	Assessment Value (Line 12 * Line 13)	127,119	127,384
15	Composite Property Tax Rate - Obtained from ADOR	13.8449%	13.8449%
16	Test Year Adjusted Property Tax Expense (Line 14 * Line 15)	\$ 17,600	\$ 17,636
17	Tax on Parcels	-	-
18	Total Property Taxes (Line 16 + Line 17)	\$ 17,600	
19	Adjusted Test Year Property Taxes	\$ 26,568	
20	Adjustment to Test Year Property Taxes (Line 18 - Line 19)	<u>\$ (8,968)</u>	
21			
22	Property Tax on Company Recommended Revenue (Line 16 + Line 17)		\$ 17,636
23	Company Test Year Adjusted Property Tax Expense (Line 18)		\$ 17,600
24	Increase in Property Tax Due to Increase in Revenue Requirement		<u>\$ 37</u>
25			
26	Increase in Property Tax Due to Increase in Revenue Requirement (Line 24)		\$ 37
27	Increase in Revenue Requirement		\$ 2,207
28	Increase in Property Tax Per Dollar Increase in Revenue (Line 26 / Line 27)		1.66139%
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Adjustment to Revenues and Expenses
Adjustment Number 3

Exhibit
Rebuttal Schedule C-2
Page 4
Witness: Bourassa

Revenues from Projected Customer Growth

Line
No.

1		
2	Additional Revenues per Rebuttal	\$ -
3	Additional Revenues per Direct	\$ 179,937
4		
5	Adjustment to Metered Revenues	<u>\$ (179,937)</u>
6		
7	Increase(decrease) in Metered Revenues	<u>\$ (179,937)</u>
8		
9	Adjustment to Revenue and/or Expense	<u>\$ (179,937)</u>
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29	<u>REFERENCE</u>	
30	Staff Schedule CSB-13	

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Adjustment to Revenues and Expenses
Adjustment Number 4

Exhibit
Rebuttal Schedule C-2
Page 5
Witness: Bourassa

Purchased Power

Line

No.

1

2 Adjustment to Purchased Power Expense

\$ (9,503)

3

4

5

6 Increase(decrease) in Purchased Power

\$ (9,503)

7

8 Adjustment to Revenue and/or Expense

\$ (9,503)

9

10

11 REFERENCE

12 Staff Schedule CSB-14

13

14

15

16

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Red Rock Ultiities, LLC - Water Division
Test Year Ended December 31, 2013
Adjustment to Revenues and Expenses
Adjustment Number 5

Exhibit
Rebuttal Schedule C-2
Page 6
Witness: Bourassa

Repairs and Maintenance

Line

No.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

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16

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18

19

20

Adjustment to Repairs and Maintenance

\$ (3,387)

Increase(decrease) in Repairs and Maintenance

\$ (3,387)

Adjustment to Revenue and/or Expense

\$ (3,387)

REFERENCE

Staff Schedule CSB-15

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2001
Adjustment to Revenues and Expenses
Adjustment Number 6

Exhibit
Rebuttal Schedule C-2
Page 7
Witness: Bourassa

Contractual Services - Management

Line

No.

1

2

3

4

5

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18

19

20

21

22

Adjustment to Contractual Services - Management

\$ (50,000)

Increase(decrease) in Contractual Services - Management

\$ (50,000)

Adjustment to Revenue and/or Expense

\$ (50,000)

REFERENCE

Staff Schedule CSB-16

Red Rock Ultiities, LLC - Water Division
Test Year Ended December 31, 2001
Adjustment to Revenues and Expenses
Adjustment Number 7

Exhibit
Rebuttal Schedule C-2
Page 8
Witness: Bourassa

Water Testing Expense

Line
No.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

Adjustment to Water Testing Expense

\$ 1,240

Increase(decrease) in Water Testing Expense

\$ 1,240

Adjustment to Revenue and/or Expense

\$ 1,240

REFERENCE

Staff Schedule CSB-17

Red Rock Ultiities, LLC - Water Division
Test Year Ended December 31, 2013
Computation of Gross Revenue Conversion Factor

Exhibit
Rebuttal Schedule C-3
Page 1
Witness: Bourassa

Line No.	Description	Percentage of Incremental Gross Revenues
1	Combined Federal and State Effective Income Tax Rate	0.000%
2		
3	Property Taxes	1.661%
4		
5		
6	Total Tax Percentage	1.661%
7		
8	Operating Income % = 100% - Tax Percentage	98.339%
9		
10		
11		
12		
13	$\frac{1}{\text{Operating Income \%}}$ = Gross Revenue Conversion Factor	
14		1.0169
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25	<u>SUPPORTING SCHEDULES:</u>	<u>RECAP SCHEDULES:</u>
26	C-3, page 2	A-1
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		

GROSS REVENUE CONVERSION FACTOR

Line No.	Description	(A)	(B)	(C)	(D)	(E)	(F)
<u>Calculation of Gross Revenue Conversion Factor:</u>							
1	Revenue	100.0000%					
2	Uncollectible Factor (Line 11)	0.0000%					
3	Revenues (L1 - L2)	100.0000%					
4	Combined Federal and State Income Tax and Property Tax Rate (Line 23)	1.6614%					
5	Subtotal (L3 - L4)	98.3386%					
6	Revenue Conversion Factor (L1 / L5)	1.016895					
<u>Calculation of Uncollectible Factor:</u>							
7	Unity	100.0000%					
8	Combined Federal and State Tax Rate (Line 17)	0.0000%					
9	One Minus Combined Income Tax Rate (L7 - L8)	100.0000%					
10	Uncollectible Rate	0.0000%					
11	Uncollectible Factor (L9 * L10)		0.0000%				
<u>Calculation of Effective Tax Rate:</u>							
12	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%					
13	Arizona State Income Tax Rate	0.0000%					
14	Federal Taxable Income (L12 - L13)	100.0000%					
15	Applicable Federal Income Tax Rate (Line 44)	0.0000%					
16	Effective Federal Income Tax Rate (L14 x L15)	0.0000%					
17	Combined Federal and State Income Tax Rate (L13 + L16)		0.0000%				
<u>Calculation of Effective Property Tax Factor</u>							
18	Unity	100.0000%					
19	Combined Federal and State Income Tax Rate (L17)	0.0000%					
20	One Minus Combined Income Tax Rate (L18-L19)	100.0000%					
21	Property Tax Factor	1.6614%					
22	Effective Property Tax Factor (L20*L21)		1.6614%				
23	Combined Federal and State Income Tax and Property Tax Rate (L17+L22)			1.6614%			
24	Required Operating Income	\$	-				
25	Adjusted Test Year Operating Income (Loss)	\$	(2,170)				
26	Required Increase in Operating Income (L24 - L25)		\$	2,170			
27	Income Taxes on Recommended Revenue (Col. (F), L52)	\$	-				
28	Income Taxes on Test Year Revenue (Col. (C), L52)	\$	-				
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)		\$	-			
30	Recommended Revenue Requirement	\$	355,315				
31	Uncollectible Rate (Line 10)	0.0000%					
32	Uncollectible Expense on Recommended Revenue (L24 * L25)	\$	-				
33	Adjusted Test Year Uncollectible Expense	\$	-				
34	Required Increase in Revenue to Provide for Uncollectible Exp.		\$	-			
35	Property Tax with Recommended Revenue	\$	17,636				
36	Property Tax on Test Year Revenue	\$	17,600				
37	Increase in Property Tax Due to Increase in Revenue (L35-L36)		\$	37			
38	Total Required Increase in Revenue (L26 + L29 + L37)		\$	2,207			

Calculation of Income Tax:

	(A)	(B)	(C)
Test Year			
Total			
39 Revenue	\$ 353,109	\$ 353,109	
40 Operating Expenses Excluding Income Taxes	\$ 355,279	\$ 355,279	
41 Synchronized Interest (L47)	\$ -	\$ -	\$ -
42 Arizona Taxable Income (L30 - L31 - L32)	\$ (2,170)	\$ (2,170)	\$ -
43 Arizona State Effective Income Tax Rate (see work papers)	0.0000%	0.0000%	0.0000%
44 Arizona Income Tax (L33 x L34)	\$ -	\$ -	\$ -
45 Federal Taxable Income (L33 - L35)	\$ (2,170)	\$ (2,170)	\$ -
46 Effective Tax Rate (see work papers)	0.0000%	0.0000%	
47 Federal Income Tax	\$ -	\$ -	
48	\$ -	\$ -	
49	\$ -	\$ -	
50	\$ -	\$ -	
51 Total Federal Income Tax	\$ -	\$ -	\$ -
52 Combined Federal and State Income Tax (L35 + L42)	\$ -	\$ -	\$ -
53 COMBINED Applicable Federal Income Tax Rate [Col. (D), L51 - Col. (A), L51] / [Col. (D), L45 - Col. (A), L45]			0.0000%
54 WATER Applicable Federal Income Tax Rate [Col. (E), L51 - Col. (B), L51] / [Col. (E), L45 - Col. (B), L45]			0.0000%
55			

(D)	(E)	(F)
Company Recommended		
Total		
Red Rock Utilities, LLC - Water Division		
\$ 355,315	\$ 355,315	
\$ 355,315	\$ 355,315	
\$ -	\$ -	
\$ 1	\$ 1	\$ -
0.0000%	0.0000%	0.0000%
\$ -	\$ -	\$ -
\$ 1	\$ 1	\$ -
0.0000%	0.0000%	
\$ -	\$ -	
\$ -	\$ -	
\$ -	\$ -	
\$ -	\$ -	\$ -
\$ -	\$ -	\$ -

Calculation of Interest Synchronization:

56 Rate Base	\$ 1,389,355	N/A
57 Weighted Average Cost of Debt	0.0000%	0.0000%
58 Synchronized Interest (L45 X L46)	\$ -	\$ -

Red Rock Utilities, LLC - Water Division

Revenue Summary

Test Year Ended December 31, 2013

Exhibit

Rebuttal Schedule H-1

Page 1

Witness: Bourassa

Line No.	Meter Size	Classification	Total Revenues at Present Rates	Total Revenues at Proposed Rates	Dollar Change	Percent Change	Percent of Present Water Revenues	Percent of Proposed Water Revenues
1	5/8x3/4 Inch	Residential	\$ 268,205	\$ 268,802	\$ 597	0.22%	75.96%	75.65%
2								
3	5/8x3/4 Inch	Commercial	742	742	1	0.07%	0.21%	0.21%
4	2 Inch	Commercial	11,929	11,317	(613)	-5.14%	3.38%	3.18%
5								
6	1 Inch	Irrigation	7,206	7,362	156	2.16%	2.04%	2.07%
7	2 Inch	Irrigation	5,201	5,291	90	1.74%	1.47%	1.49%
8								
9		Bulk	31,242	32,484	1,242	3.98%	8.85%	9.14%
10		Hydrant(standpipe)	19,341	20,184	843	4.36%	5.48%	5.68%
11								
12	Subtotals of Revenues		\$ 343,866	\$ 346,182	\$ 2,316	0.67%	97.38%	97.43%
13	Revenue Annualizations:							
14								
15	Revenues from Projected Growth							
16	(See Adjustment #4 on C-2, page 5)		\$ -	\$ -	\$ -	0.00%	0.00%	0.00%
17								
18								
19								
20	Subtotal Revenue Annualization		-	-	-	0.00%	0.00%	0.00%
21								
22	Total Revenues w/ Annualization		\$ 343,866	\$ 346,182	\$ 2,316	0.67%	97.38%	97.43%
23	Misc Revenues		9,276	9,276	-	0.00%	2.63%	2.61%
24	Reconciling Amount		(33)	(142)	(109)	330.30%	-0.01%	-0.04%
25	Total Revenues		\$ 353,109	\$ 355,316	\$ 2,207	0.63%	100.00%	100.00%
26								
27								

Red Rock Utilities, LLC - Water Division
 Analysis of Revenue by Detailed Class
 Test Year Ended December 31, 2013

Exhibit
 Rebuttal Schedule H-2
 Page 1
 Witness: Bourassa

Line No.	Customer Classification and/or Meter Size	(a) Average Number of Customers at 12/31/2013	Average Bill		Proposed Increase		Percent of Customers
			Present Rates	Proposed Rates	Dollar Amount	Percent Amount	
1	5/8x3/4 Inch Residential	575	37.49 \$	37.49 \$	-	0.00%	97.62%
2							
3	5/8x3/4 Inch Commercial	2	30.55	30.55	-	0.00%	0.34%
4	2 Inch Commercial	2	496.65	442.63	(54.02)	-10.88%	0.34%
5							
6	1 Inch Irrigation	3	171.88	173.90	2.02	1.18%	0.57%
7	2 Inch Irrigation	1	432.85	440.25	7.40	1.71%	0.17%
8							
9							
10	Bulk	5	525.61	545.77	20.17	3.84%	0.84%
11	Hydrant(standpipe)	1	2,148.95	2,242.62	93.67	4.36%	0.13%
12							
13							
14							
15							
16							
17	Totals	589					
18							
19	Actual Year End Number of Customers:	584					
20							
21							
22							
23							
24							

100.00%

Red Rock Utilities, LLC - Water Division
 Analysis of Revenue by Detailed Class
 Test Year Ended December 31, 2013

Exhibit
 Rebuttal Schedule H-2
 Page 2
 Witness: Bourassa

Line No.	Customer Classification and/or Meter Size	(a) Average Number of Customers at 12/31/2013	Median Consumption	Median Bill		Proposed Increase		Percent of Customers
				Present Rates	Proposed Rates	Dollar Amount	Percent Amount	
1	5/8x3/4 Inch Residential	575	4,500 \$	35.80 \$	35.80 \$	-	0.00%	97.95%
2								
3	5/8x3/4 Inch Commercial	-	2,000	29.80	29.80	-	0.00%	0.00%
4	2 Inch Commercial	2	23,750	288.88	274.81	(14.06)	-4.87%	0.34%
5								
6	1 Inch Irrigation	3	4,500 \$	76.68 \$	76.68 \$	-	0.00%	0.57%
7	2 Inch Irrigation	1	40,000 \$	341.00 \$	344.40	3.40	1.00%	0.17%
8								
9	Bulk Hydrant(standpipe)	5	122,051 \$	461.00 \$	478.35	17.35	3.76%	0.84%
10		1	317,448 \$	1,238.05 \$	1,292.01	53.97	4.36%	0.13%
11								
12								
13								
14								
15	Totals	587						
16								
17	Actual Year End Number of Customers:	584						
18								
19								
20								
21								
22								

100.00%

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Present and Proposed Rates

Exhibit
Rebuttal Rebuttal Schedule H-3
Page 1

Line No.	Monthly Fixed Charge for: Meter Size (All Classes):	Present Rates	Proposed Rates	Change	Percent Change
1	5/8x3/4 Inch	\$ 25.00	\$ 25.00	\$ -	0.00%
2	3/4 Inch	37.50	37.50	-	0.00%
3	1 Inch	62.50	62.50	-	0.00%
4	1 1/2 Inch	125.00	125.00	-	0.00%
5	2 Inch	200.00	200.00	-	0.00%
6	3 Inch	375.00	400.00	25.00	6.67%
7	4 Inch	625.00	625.00	-	0.00%
8	6 Inch	1,250.00	1,250.00	-	0.00%
9	Standpipe	-	-	-	#DIV/0!
10					
11					
12	Gallons In Minimum (All Classes, except irrigation)	-	-	-	
13					
14					
15					
16					
17					
18	<u>Commodity Rates</u>				
19					
20	5/8x3/4 Inch - All Classes, Except Irrigation				
21	1 gallons to 5,000 gallons	\$ 2.40	\$ 2.40	\$ -	
22	5,001 gallons to 10,000 gallons	\$ 3.15	\$ 3.15	\$ -	
23	over 10,000 gallons	\$ 3.90	\$ 4.07	\$ 0.17	4.36%
24	5/8x3/4 Inch - Irrigation				
25	1 gallons to 10,000 gallons	\$ 3.15	\$ 3.15	\$ -	
26	over 10,000 gallons	\$ 4.07	\$ 4.07	\$ -	
27					
28	3/4 Inch and Larger - All Classes, Except Irrigation				
29	1 gallons to 5,000 gallons	\$ 3.15	\$ 3.15	\$ -	
30	over 5,000 gallons	\$ 3.90	\$ 4.07	\$ 0.17	4.36%
31	3/4 Inch - All Classes				
32	1 gallons to 10,000 gallons	\$ 3.15	\$ 3.15	\$ -	
33	over 10,000 gallons	\$ 3.90	\$ 4.07	\$ 0.17	4.36%
34	1 Inch, All Classes, Except Irrigation				
35	1 gallons to 5,000 gallons	\$ 3.15	\$ 3.15	\$ -	
36	over 5,000 gallons	\$ 3.90	\$ 4.07	\$ 0.17	4.36%
37					
38	1 Inch - All Classes				
39	1 gallons to 20,000 gallons	\$ 3.15	\$ 3.15	\$ -	
40	over 20,000 gallons	\$ 4.07	\$ 4.07	\$ -	
41	1 1/2 Inch, All Classes, Except Irrigation				
42	1 gallons to 5,000 gallons	\$ 3.15	\$ 3.15	\$ -	
43	over 5,000 gallons	\$ 3.90	\$ 4.07	\$ 0.17	4.36%
44	1 1/2 Inch - All Classes				
45	1 gallons to 50,000 gallons	\$ 3.15	\$ 3.15	\$ -	
46	over 50,000 gallons	\$ 4.07	\$ 4.07	\$ -	
47	NT = No Tariff				
48					

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Present and Proposed Rates

Line No.	Commodity Rates	Block	(Per 1,000 gallons)	
			Present Rate	Proposed Rate
1	2 Inch, All Classes, Except Irrigation	1 gallons to 5,000 gallons over 5,000 gallons	\$ 3.15	
2			\$ 3.90	
3	2 Inch - All Classes	1 gallons to 90,000 gallons over 90,000 gallons		\$ 3.15
4				\$ 4.07
5	3 Inch, All Classes, Except Irrigation	1 gallons to 5,000 gallons over 5,000 gallons	\$ 3.15	
6			\$ 3.90	
7	3 Inch - All Classes	1 gallons to 200,000 gallons over 200,000 gallons		\$ 3.15
8				\$ 4.07
9	3 Inch, All Classes, Except Irrigation	1 gallons to 5,000 gallons over 5,000 gallons	\$ 3.15	
10			\$ 3.90	
11	4 Inch, All Classes, Except Irrigation	1 gallons to 5,000 gallons over 5,000 gallons	\$ 3.15	
12			\$ 3.90	
13	4 Inch - All Classes	1 gallons to 300,000 gallons over 300,000 gallons		\$ 3.15
14				\$ 4.07
15	6 Inch, All Classes, Except Irrigation	1 gallons to 5,000 gallons over 5,000 gallons	\$ 3.15	
16			\$ 3.90	
17	6 Inch - All Classes	1 gallons to 500,000 gallons over 500,000 gallons		\$ 3.15
18				\$ 4.07
19	Irrigation - All Meter Sizes	Over Minimum up to 20,000 gallons Over 20,000 gallons	\$ 3.15	See Proposed Rates by Meter Size
20			\$ 3.90	
21	Standpipe/Bulk	All gallons	\$ 3.90	\$ 4.07
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47	NT = No Tariff			
48				

Red Rock Utilities, LLC - Water Division
 Present and Proposed Rates
 Test Year Ended December 31, 2013

Line No.	Meter and Service Line Charges ¹	Present Service Line Charge	Present Meter Installation Charge	Total Present Charge	Proposed Service Line Charge	Proposed Meter Installation Charge	Total Proposed Charge
7	5/8 x 3/4 Inch			\$ 400.00	355.00	45.00	\$ 400.00
8	3/4 Inch			440.00	355.00	85.00	440.00
9	1 Inch			500.00	405.00	95.00	500.00
10	1 1/2 Inch			715.00	440.00	275.00	715.00
11	2 Inch Turbo			1,170.00	600.00	570.00	1,170.00
12	2 Inch, Compound			1,700.00	600.00	1,100.00	1,700.00
13	3 Inch Turbo			1,585.00	775.00	810.00	1,585.00
14	3 Inch, compound			2,190.00	815.00	1,375.00	2,190.00
15	4 Inch Turbo			2,540.00	1,110.00	1,430.00	2,540.00
16	4 Inch, compound			3,215.00	1,170.00	2,045.00	3,215.00
17	6 Inch Turbo			4,815.00	1,670.00	3,145.00	4,815.00
18	6 Inch, compound			6,270.00	1,710.00	4,560.00	6,270.00
19	Over 6 inch				At Cost	At Cost	At Cost

NT = No Tariff

Other Charges:

27	Establishment	\$ 25.00
28	Re-establishment (after hours)	\$ 50.00
29	Re-establishment (within 12 months)	*
30	Reconnection (Delinquent)	\$ 30.00
31	Meter Test (if correct)	NT
32	Meter Re-read (if correct) per R-14-2-408	\$ 15.00
33	Minimum Deposit	**
34	Deposit Interest	**
35	NSF Check	\$ 25.00
36	Deferred Payment, per month	1.5%
37	Late Payment Charge (per month)	1.5%
38	After hours service charge, per hour***	\$ 50.00
39	After hours service charge, flat rate***	
40	Charge for moving meter at customer request	Cost
41		
42		
43		
44		
45		

	\$ 25.00
	remove
	*
	\$ 30.00
	\$ 30.00
	\$ 15.00
	**
	**
	\$ 25.00
	1.5%
	1.5%
	remove
	\$ 50.00
	Cost

* Number of months off the system times the monthly minimum. Per Commission rule A.A.C. R-14-2-403(D)

** Per Rule R14-2-403 B

*** Applies to all service provided after hours and at customer request for after hours service.

NT = No Tariff

Red Rock Utilities, LLC
Docket No: WS-04245A-14-0295

March 25, 2015

WASTEWATER DIVISION
SCHEDULES

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Computation of Increase in Gross Revenue
Requirements As Adjusted

Exhibit
Rebuttal Schedule A-1
Page 1
Witness: Bourassa

Line
No.

1	Fair Value Rate Base	\$	976,489
2			
3	Adjusted Operating Income		(349,610)
4			
5	Current Rate of Return		-35.80%
6			
7	Required Operating Income	\$	-
8			
9	Required Operating Margin		0.00%
10			
11	Operating Income Deficiency	\$	349,610
12			
13	Gross Revenue Conversion Factor		1.0169
14			
15	Increase in Gross Revenue		
16	Requirement	\$	355,516
17			
18	Adjusted Test Year Revenues	\$	287,949
19	Increase in Gross Revenue Revenue Requirement	\$	355,516
20	Proposed Revenue Requirement	\$	643,465
21	% Increase		123.47%
22			
23			
24			

		<u>Present</u> <u>Rates</u>	<u>Proposed</u> <u>Rates</u>	<u>Dollar</u> <u>Increase</u>	<u>Percent</u> <u>Increase</u>
25	Customer				
26	Classification				
27	<u>(Residential Commercial, Irrigation)</u>				
28	5/8x3/4 Inch Residential	\$ 267,336	\$ 612,199	\$ 344,863	129.00%
29					
30	5/8x3/4 Inch Commercial	948	2,171	1,223	129.00%
31	2 Inch Commercial	7,584	17,367	9,783	129.00%
32					
33	Effluent	12,224	12,224	-	0.00%
34				-	0.00%
35	Revenues From Projected Customer Growth	-	-	-	0.00%
36					
37	Subtotal	\$ 288,092	\$ 643,962	\$ 355,870	123.53%
38					
39	Miscellaneous Revenues	-	-	-	0.00%
40	Reconciling Amount	(143)	(496)	(353)	246.85%
41	Rounding			-	0.00%
42	Total of Water Revenues	\$ 287,949	\$ 643,466	\$ 355,517	123.47%
43					
44					

45 SUPPORTING SCHEDULES:

46 B-1
47 C-1
48 C-3
49 H-1

Red Rock Ultiities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Summary of Rate Base

Exhibit
Rebuttal Schedule B-1
Page 1
Witness: Bourassa

Line No.		Original Cost Rate base	Fair Value Rate Base
1			
2	Gross Utility Plant in Service	\$ 7,957,793	\$ 7,957,793
3	Less: Accumulated Depreciation	1,306,464	1,306,464
4			
5	Net Utility Plant in Service	\$ 6,651,330	\$ 6,651,330
6			
7	Less:		
8	Advances in Aid of Construction	5,674,841	5,674,841
9			
10	Contributions in Aid of Construction	-	-
11			
12	Accumulated Amortization of CIAC	-	-
13			
14	Customer Meter Deposits	-	-
15	Deferred Income Taxes & Credits	-	-
16			
17			
18			
19	Plus:		
20	Unamortized Finance		
21	Charges	-	-
22	Deferred Tax Assets	-	-
23	Allowance for Working Capital	-	-
24			
25			
26	Total Rate Base	\$ 976,489	\$ 976,489
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41	<u>SUPPORTING SCHEDULES:</u>		
42	B-2		
43	B-3		
44	B-5		
45			
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47			
48			
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Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments

Exhibit
Rebuttal Schedule B-2
Page 1
Witness: Bourassa

Line No.		Actual at End of Test Year	Proforma Adjustment	Adjusted at end of Test Year
1	Gross Utility			
2	Plant in Service	\$ 8,489,666	(531,873)	\$ 7,957,793
3				
4	Less:			
5	Accumulated			
6	Depreciation	1,355,878	(49,414)	1,306,464
7				
8				
9	Net Utility Plant			
10	in Service	\$ 7,133,789		\$ 6,651,330
11				
12	Less:			
13	Advances in Aid of			
14	Construction	5,674,841	-	5,674,841
15				
16	Contributions in Aid of			
17	Construction - Gross	549,043	(549,043)	-
18				
19	Accumulated Amortization of CIAC	(26,408)	26,408	0
20				
21	Customer Meter Deposits	-		-
22	Accumulated Deferred Income Tax	-	-	-
23				-
24				-
25				
26	Plus:			
27	Unamortized Finance			
28	Charges	-		-
29	Prepayments	-		-
30	Materials and Supplies	-		-
31	Working capital	-	-	-
32				-
33				
34	Total	<u>\$ 936,312</u>		<u>\$ 976,489</u>

SUPPORTING SCHEDULES:
B-2, pages 2

RECAP SCHEDULES:
B-1

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments

Exhibit
Rebuttal Schedule B-2
Page 2
Witness: Bourassa

Line No.		Proforma Adjustments					Adjusted at end of Test Year
		1	2	3	4	5	
		Actual at End of Test Year	Plant-in-Service	Accumulated Depreciation	CIAC	Intentionally Left Blank	
1	Gross Utility						
2	Plant in Service	\$ 8,489,666	(531,873)				\$ 7,957,793
3							
4	Less:						
5	Accumulated						
6	Depreciation	1,355,878		(49,414)			1,306,464
7							
8							
9	Net Utility Plant						
10	in Service	\$ 7,133,789	(531,873)	\$ 49,414	\$ -	\$ -	\$ 6,651,330
11							
12	Less:						
13	Advances in Aid of						
14	Construction	5,674,841					5,674,841
15							
16	Contributions in Aid of						
17	Construction (CIAC)	549,043			(549,043)		-
18							
19	Accumulated Amort of CIAC	(26,408)			26,408		-
20							
21	Customer Meter Deposits	-					-
22	Accumulated Deferred Income Taxes	-					-
23							
24							
25	Plus:						
26	Unamortized Finance						
27	Charges	-					-
28	Prepayments						
29	Materials and Supplies						
30	Allowance for Cash Working Capital	-					-
31							
32	Total	\$ 936,312	\$ (531,873)	\$ 49,414	\$ 522,635	\$ -	\$ 976,489
33							
34							
35							
36							
37							
38							
39							
40							

SUPPORTING SCHEDULES:
B-2, pages 3-5

RECAP SCHEDULES:
B-1

Plant-in-Service									
Line No.	Acct. No.	Description	Actual Original Cost	A Not Used and Useful Plant	B Plant Reclassification	C Adjustments to Reconstruction of PIS Balance	D Intentionally Left Blank	E Intentionally Left Blank	Adjusted Original Cost
1	351	Organization	11,983						11,983
2	352	Franchise	59,751	(4,924)					54,827
3	353	Land	6,538						6,538
4	354	Structures & Improvements	14,298						864,233
5	355	Power Generation	-						31,432
6	360	Collection Sewer Forced	-						-
7	361	Collection Sewers Gravity	5,978,394	(549,043)					5,429,351
8	362	Special Collecting Structures	-						-
9	363	Customer Services	-						-
10	364	Flow Measuring Devices	-						-
11	366	Reuse Services	26,931						26,931
12	367	Reuse Meters And Installation	-						-
13	370	Receiving Wells	-						-
14	371	Pumping Equipment	-						-
15	374	Reuse Distribution Reservoirs	280,411		13,732				13,732
16	375	Reuse Trans. and Dist. System	625,073						280,411
17	380	Treatment & Disposal Equipment	1,467,234		(876,823)				625,073
18	381	Plant Sewers	-						590,411
19	382	Outfall Sewer Lines	-						-
20	389	Other Sewer Plant & Equipment	-						-
21	390	Office Furniture & Equipment	10,039						10,039
22	390.1	Computers and Software	-						-
23	391	Transportation Equipment	8,224						8,224
24	392	Stores Equipment	-						-
25	393	Tools, Shop And Garage Equip	-						-
26	394	Laboratory Equip	790						790
27	396	Communication Equip	-						882
28	398	Other Tangible Plant	-						2,936
29			-						-
30			-						-
31			-						-
32			-						-
33			-						-
34			-						-
35			-						-
36			-						-
37			-						-
38			-						-
39		Plant Held for Future Use	-						-
40		TOTALS	\$ 8,489,666	\$ (553,967)	\$ 22,094	\$ -	\$ -	\$ -	\$ 7,957,793
41									
42		Plant-in-Service per Books							\$ 8,489,666
43		Increase (decrease) in Plant-in-Service							\$ (531,873)
44		Adjustment to Plant-in-Service							\$ (531,873)
45									
46		SUPPORTING SCHEDULES							
47		B-2, pages 3.1-3.11							

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment Number 1-A

Exhibit
Rebuttal Schedule B-2
Page 3.1
Witness: Bourassa

Additional Not Used and Useful Plant

Line

No.

1

2

3

Acct.

4

No. Description

5

Adjustment

6

352 Franchise Costs

\$ (4,924)

7

361 Collections Sewer, Gravity

(549,043)

8

9

TOTAL

\$ (553,967)

10

11

12

Increase (decrease) in Plant-in-Service

\$ 553,967

13

14

Adjustment to Plant-in-Service

\$ 553,967

15

16

SUPPORTING SCHEDULES

17

Staff Schedule CSB-5

18

19

20

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment Number 1-B

Exhibit
Rebuttal Schedule B-2
Page 3.2
Witness: Bourassa

Plant Reclassification

Line

No.

1

2

3

Acct.

4

No. Description

5

Adjustment

6

354 Structures and Improvements

\$ 849,935

7

355 Power Generation Equipment

31,432

8

371 Pumping Equipment

13,732

9

380 Treatment and Disposal Equip

(876,823)

10

394 Laboratory Equipment

-

11

396 Communication Equip

882

12

398 Other Plant

2,936

13

14

TOTAL

\$ 22,094

15

16

17

Increase (decrease) in Plant-in-Service

\$ 22,094

18

19

Adjustment to Plant-in-Service

\$ 22,094

20

21

SUPPORTING SCHEDULES

22

Staff Schedule CSB-5

23

24

25

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment Number 1-C

Reconciliation of Plant-in-service Balance to Reconstructed Balance

Line No.	Acct. No.	Description	Original Cost	B-2 Adjustments	Adjusted Original Cost	Balance Per Reconstruction	Adjustments to Reconcile
1	351	Organization	11,983	-	11,983	11,983	-
2	352	Franchise	59,751	(4,924)	54,827	54,827	-
3	353	Land	6,538	-	6,538	6,538	-
4	354	Structures & Improvements	14,298	849,935	864,233	864,233	-
5	355	Power Generation	-	31,432	31,432	31,432	-
6	360	Collection Sewer Forced	-	-	-	-	-
7	361	Collection Sewers Gravity	5,978,394	(549,043)	5,429,351	5,429,351	-
8	362	Special Collecting Structures	-	-	-	-	-
9	363	Customer Services	-	-	-	-	-
10	364	Flow Measuring Devices	-	-	-	-	-
11	366	Reuse Services	26,931	-	26,931	26,931	-
12	367	Reuse Meters And Installation	-	-	-	-	-
13	370	Receiving Wells	-	-	-	-	-
14	371	Pumping Equipment	-	13,732	13,732	13,732	-
15	374	Reuse Distribution Reservoirs	280,411	-	280,411	280,411	-
16	375	Reuse Trans. and Dist. System	625,073	-	625,073	625,073	-
17	380	Treatment & Disposal Equipment	1,467,234	(876,823)	590,411	590,411	-
18	381	Plant Sewers	-	-	-	-	-
19	382	Outfall Sewer Lines	-	-	-	-	-
20	389	Other Sewer Plant & Equipment	-	-	-	-	-
21	390	Office Furniture & Equipment	10,039	-	10,039	10,039	-
22	390.1	Computers and Software	-	-	-	-	-
23	391	Transportation Equipment	8,224	-	8,224	8,224	-
24	392	Stores Equipment	-	-	-	-	-
25	393	Tools, Shop And Garage Equip	-	-	-	-	-
26	394	Laboratory Equip	790	-	790	790	-
27	396	Communication Equip	-	882	882	882	-
28	398	Other Tangible Plant	-	2,936	2,936	2,936	-
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40		TOTALS	\$ 8,489,666	\$ (531,873)	\$ 7,957,793	\$ 7,957,793	\$ -
41							
42							
43							
44		Increase (decrease) in Plant-in-Service					\$ -
45							
46		Adjustment to Plant-in-Service					\$ -
47							

SUPPORTING SCHEDULES

B-2, pages 3
B-2, pages 3.4-3.11

Red Rock Utilities - Sewer Division
Plant Additions and Retirements

Exhibit
Rebuttal Schedule B-2
Page 3.4
Witness: Bourassa

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	Plant at 12/31/2005	Accum. Deprec. At 12/31/2005	2005						Plant Balance	Accum. Deprec.
						Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Retirement Adjustments	Adjusted Plant Retirements	Salvage A/D Only	Depreciation (Calculated)
1	351	Organization	0.00%	-	-	96,231	(84,842)	11,389	-	-	-	-	-
2	352	Franchise	0.00%	-	-	122,511	(75,260)	47,251	-	-	-	-	-
3	353	Land	0.00%	-	-	3,163	3,375	6,538	-	-	-	-	-
4	354	Structures & Improvements	3.33%	-	-	4,227,784	(4,225,318)	2,466	-	-	-	-	-
5	355	Power Generation	5.00%	-	-	39,100	(39,100)	-	-	-	-	-	-
6	360	Collection Sewer Forced	2.00%	-	-	-	-	-	-	-	-	-	-
7	361	Collection Sewers Gravity	2.00%	-	-	-	-	-	-	-	-	-	-
8	362	Special Collecting Structures	2.00%	-	-	66,167	(66,167)	58,852	-	-	-	-	-
9	363	Customer Services	2.00%	-	-	-	-	-	-	-	-	-	-
10	364	Flow Measuring Devices	10.00%	-	-	-	-	-	-	-	-	-	-
11	366	Reuse Services	2.00%	-	-	-	-	-	-	-	-	-	-
12	367	Reuse Meters And Installation	8.33%	-	-	-	-	-	-	-	-	-	-
13	370	Receiving Wells	3.33%	-	-	-	-	-	-	-	-	-	-
14	371	Pumping Equipment	12.50%	-	-	-	-	-	-	-	-	-	-
15	374	Reuse Distribution Reservoirs	2.50%	-	-	-	-	-	-	-	-	-	-
16	375	Reuse Trans. and Dist. System	2.50%	-	-	-	-	-	-	-	-	-	-
17	380	Treatment & Disposal Equipment	5.00%	-	-	-	-	-	-	-	-	-	-
18	381	Plant Sewers	5.00%	-	-	50,625	(50,625)	-	-	-	-	-	-
19	382	Outfall Sewer Lines	3.33%	-	-	-	-	-	-	-	-	-	-
20	389	Other Sewer Plant & Equipment	6.67%	-	-	-	-	-	-	-	-	-	-
21	390	Office Furniture & Equipment	6.67%	-	-	-	-	-	-	-	-	-	-
22	390.1	Computers and Software	20.00%	-	-	14,462	(14,462)	-	-	-	-	-	-
23	391	Transportation Equipment	20.00%	-	-	2,928	(2,020)	908	-	-	-	-	-
24	392	Stores Equipment	4.00%	-	-	-	-	-	-	-	-	-	-
25	393	Tools, Shop And Garage Equip	5.00%	-	-	-	-	-	-	-	-	-	-
26	394	Laboratory Equip	10.00%	-	-	-	-	-	-	-	-	-	-
27	396	Communication Equip	10.00%	-	-	-	-	-	-	-	-	-	-
28	398	Other Tangible Plant	10.00%	-	-	-	-	-	-	-	-	-	-
29				-	-	-	-	-	-	-	-	-	-
30				-	-	-	-	-	-	-	-	-	-
31				-	-	-	-	-	-	-	-	-	-
32				-	-	-	-	-	-	-	-	-	-
33				-	-	-	-	-	-	-	-	-	-
34				-	-	-	-	-	-	-	-	-	-
35				-	-	-	-	-	-	-	-	-	-
36		Plant Held for Future Use		-	-	-	-	-	-	-	-	-	-
		TOTALS		-	-	4,622,971	45,442	4,668,413	-	-	-	-	114,185
													114,185

Unadjusted PIS Balance
Non-Depr. or Fully Depr. Plant
Depreciable Plant
Depreciation Expense
Composite Depreciation Rate

4,668,413
(65,178)
4,603,235
114,185
2.48%

Red Rock Utilities - Sewer Division
Plant Additions and Retirements

Exhibit
Rebuttal Schedule B-2
Page 3.5
Witness: Bourassa

NARUC Account			Allowed Deprec. Rate	2007						Accum. Deprac.			
Line No.	No.	Description		Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Retirement Adjustments	Adjusted Plant Retirements		Salvage A/D Only	Depreciation (Calculated)	Plant Balance
1	351	Organization	1,564		1,564							12,953	-
2	352	Franchise	2,550		2,550							49,801	-
3	353	Land										6,538	-
4	354	Structures & Improvements									82	2,466	123
5	355	Power Generation											-
6	360	Collection Sewer Forced											-
7	361	Collection Sewers Gravity											-
8	362	Special Collecting Structures	3,644,629		3,644,629						37,623	3,703,481	38,212
9	363	Customer Services											-
10	364	Flow Measuring Devices											-
11	366	Reuse Services	12,770		12,770						128	12,770	128
12	367	Reuse Meters And Installation											-
13	370	Receiving Wells											-
14	371	Pumping Equipment											-
15	374	Reuse Distribution Reservoirs											-
16	375	Reuse Trans. and Dist. System	257,360		257,360						3,217	257,360	3,217
17	380	Treatment & Disposal Equipment	594,757		594,757						241,919	5,135,766	355,445
18	381	Plant Sewers											-
19	382	Outfall Sewer Lines											-
20	389	Other Sewer Plant & Equipment											-
21	390	Office Furniture & Equipment	9,131		9,131						365	10,039	395
22	390.1	Computers and Software											-
23	391	Transportation Equipment	8,224		8,224						822	8,224	822
24	392	Stores Equipment											-
25	393	Tools, Shop And Garage Equip											-
26	394	Laboratory Equip	158		158						8	158	8
27	396	Communication Equip											-
28	398	Other Tangible Plant	176		176						9	176	9
29													-
30													-
31													-
32													-
33													-
34		Plant Held for Future Use											-
35													-
36		TOTALS	4,531,319		4,531,319						284,174	9,199,732	398,359

Unadjusted PIS Balance
Non-Depr. or Fully Depr. Plant
Depreciable Plant
Depreciation Expense
Composite Depreciation Rate

9,199,732
(69,292)
9,130,440
284,174
3.11%

Red Rock Utilities - Sewer Division
Plant Additions and Retirements

Exhibit
Rebuttal Schedule B-2
Page 3.6
Witness: Bourassa

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2008					Accum. Deprec.
				Plant Additions (Per Books)	Adjusted Plant Additions	Plant Retirements (Per Books)	Adjusted Plant Retirements	Depreciation (Calculated)	
1	351	Organization	0.00%	-	-	-	-	-	-
2	352	Franchise	0.00%	9,950	9,950	-	-	-	-
3	353	Land	0.00%	-	-	-	-	-	-
4	354	Structures & Improvements	3.33%	11,832	11,832	-	-	279	402
5	355	Power Generation	5.00%	-	-	-	-	-	-
6	360	Collection Sewer Forced	2.00%	-	-	-	-	-	-
7	361	Collection Sewers Gravity	2.00%	-	-	-	-	-	-
8	362	Special Collecting Structures	2.00%	1,500	1,500	-	-	74,085	112,296
9	363	Customer Services	2.00%	-	-	-	-	-	-
10	364	Flow Measuring Devices	10.00%	-	-	-	-	-	-
11	366	Reuse Services	2.00%	-	-	-	-	-	-
12	367	Reuse Meters And Installation	8.33%	-	-	-	-	255	383
13	370	Receiving Wells	3.33%	-	-	-	-	-	-
14	371	Pumping Equipment	12.50%	-	-	-	-	-	-
15	374	Reuse Distribution Reservoirs	2.50%	-	-	-	-	-	-
16	375	Reuse Trans. and Dist. System	2.50%	-	-	-	-	6,434	9,651
17	380	Treatment & Disposal Equipment	5.00%	-	-	-	-	256,788	612,233
18	381	Plant Sewers	5.00%	-	-	-	-	-	-
19	382	Outfall Sewer Lines	3.33%	-	-	-	-	-	-
20	389	Other Sewer Plant & Equipment	6.67%	-	-	-	-	-	-
21	390	Office Furniture & Equipment	6.67%	-	-	-	-	670	1,065
22	390.1	Computers and Software	20.00%	-	-	-	-	-	-
23	391	Transportation Equipment	20.00%	-	-	-	-	1,645	2,467
24	392	Stores Equipment	4.00%	-	-	-	-	-	-
25	393	Tools, Shop And Garage Equip	5.00%	-	-	-	-	-	-
26	394	Laboratory Equip	10.00%	-	-	-	-	16	24
27	396	Communication Equip	10.00%	-	-	-	-	-	-
28	398	Other Tangible Plant	10.00%	-	-	-	-	18	26
29				-	-	-	-	-	-
30				-	-	-	-	-	-
31				-	-	-	-	-	-
32				-	-	-	-	-	-
33				-	-	-	-	-	-
34				-	-	-	-	-	-
35		Plant Held for Future Use		-	-	-	-	-	-
36		TOTALS		23,282	23,282	-	-	340,189	738,548

Unadjusted PIS Balance 9,223,014
Non-Depr. or Fully Depr. Plant (79,242)
Depreciable Plant 9,143,772
Depreciation Expense 340,189
Composite Depreciation Rate 3.72%

Red Rock Utilities - Sewer Division
Plant Additions and Retirements

Exhibit
Rebuttal Schedule B-2
Page 3.7
Witness: Bourassa

Line No.	NARUC Account No.	Description	Allowed Depr. Rate	2009					Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Depr.
				Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Retirement Adjustments				
1	351	Organization	0.00%	-	-	-	-	-	-	-	12,953	-
2	352	Franchise	0.00%	-	-	-	-	-	-	-	59,751	-
3	353	Land	0.00%	-	-	-	-	-	-	-	6,538	-
4	354	Structures & Improvements	3.33%	-	-	-	-	-	-	476	14,298	878
5	355	Power Generation	5.00%	-	-	-	-	-	-	-	-	-
6	360	Collection Sewer Forced	2.00%	-	-	-	-	-	-	-	-	-
7	361	Collection Sewers Gravity	2.00%	-	-	-	-	-	-	-	-	-
8	362	Special Collecting Structures	2.00%	-	-	-	-	-	-	-	-	-
9	363	Customer Services	2.00%	-	-	-	-	-	-	-	-	-
10	364	Flow Measuring Devices	10.00%	-	-	-	-	-	-	-	-	-
11	366	Reuse Services	2.00%	-	-	-	-	-	-	-	-	-
12	367	Reuse Meters And Installation	8.33%	-	-	-	-	-	-	-	-	-
13	370	Receiving Wells	3.33%	-	-	-	-	-	-	-	-	-
14	371	Pumping Equipment	12.50%	-	-	-	-	-	-	-	-	-
15	374	Reuse Distribution Reservoirs	2.50%	-	-	-	-	-	-	-	-	-
16	375	Reuse Trans. and Dist. System	2.50%	-	-	-	-	-	-	-	-	-
17	380	Treatment & Disposal Equipment	5.00%	-	-	-	-	-	-	-	-	-
18	381	Plant Sewers	5.00%	-	-	-	-	-	-	-	-	-
19	382	Outfall Sewer Lines	3.33%	-	-	-	-	-	-	-	-	-
20	389	Other Sewer Plant & Equipment	6.67%	-	-	-	-	-	-	-	-	-
21	390	Office Furniture & Equipment	6.67%	-	-	-	-	-	-	-	-	-
22	390.1	Computers and Software	20.00%	-	-	-	-	-	-	-	-	-
23	391	Transportation Equipment	20.00%	-	-	-	-	-	-	-	-	-
24	392	Stores Equipment	4.00%	-	-	-	-	-	-	-	-	-
25	393	Tools, Shop And Garage Equip	5.00%	-	-	-	-	-	-	-	-	-
26	394	Laboratory Equip	10.00%	-	-	-	-	-	-	-	-	-
27	396	Communication Equip	10.00%	-	-	-	-	-	-	-	-	-
28	398	Other Tangible Plant	10.00%	-	-	-	-	-	-	-	-	-
29				-	-	-	-	-	-	-	-	-
30				-	-	-	-	-	-	-	-	-
31				-	-	-	-	-	-	-	-	-
32				-	-	-	-	-	-	-	-	-
33				-	-	-	-	-	-	-	-	-
34				-	-	-	-	-	-	-	-	-
35				-	-	-	-	-	-	-	-	-
36		TOTALS		2,141,268	823,668	2,964,936	-	-	-	372,385	12,187,950	1,110,933

Unadjusted PIS Balance
Non-Depr. or Fully Depr. Plant
Depreciable Plant
Depreciation Expense
Composite Depreciation Rate

12,187,950
(79,242)
12,108,708
372,385
3.08%

Exhibit
Rebuttal Schedule B-2
Page 3.8
Witness: Bourassa

12,197,312	
(79,242)	
<u>12,118,070</u>	
404,542	
	3.34%

Red Rock Utilities - Sewer Division
Plant Additions and Retirements

Exhibit
Rebuttal Schedule B-2
Page 3.9
Witness: Bourassa

Line No.	NARUC Account No.	Description	Allowed Depr. Rate	2011					Depreciation (Calculated)	Salvage A/D Only	A/D Adjustment	Plant Balance	Accum. Depr.
				Plant Additions (Per Books)	Adjusted Plant Additions	Plant Retirements (Per Books)	Retirement Adjustments	Adjusted Plant Retirements					
1	351	Organization	0.00%		(970)				-			11,983	-
2	352	Franchise	0.00%		-				-			59,751	-
3	353	Land	0.00%		-				-			6,538	-
4	354	Structures & Improvements	3.33%		-				476			14,298	1,831
5	355	Power Generation	5.00%		-				-			-	-
6	360	Collection Sewer Forced	2.00%		-				-			-	-
7	361	Collection Sewers Gravity	2.00%		-				-			-	-
8	362	Special Collecting Structures	2.00%		-				119,568			5,978,394	448,266
9	363	Customer Services	2.00%		-				-			-	-
10	364	Flow Measuring Devices	10.00%		-				-			-	-
11	366	Reuse Services	2.00%		-				539			26,931	1,857
12	367	Reuse Meters And Installation	8.33%		-				-			-	-
13	370	Receiving Wells	3.33%		-				-			-	-
14	371	Pumping Equipment	12.50%		-				-			-	-
15	374	Reuse Distribution Reservoirs	2.50%	2,034	12,011	14,045			6,835		312	280,411	17,135
16	375	Reuse Trans. and Dist. System	2.50%		-	-			15,548			621,908	51,617
17	380	Treatment & Disposal Equipment	5.00%		4,038	4,038			259,680		613	5,195,614	1,390,060
18	381	Plant Sewers	5.00%		-	-			-			-	-
19	382	Outfall Sewer Lines	3.33%		-	-			-			-	-
20	389	Other Sewer Plant & Equipment	6.67%		-	-			-			-	-
21	390	Office Furniture & Equipment	6.67%		-	-			670			10,039	3,074
22	390.1	Computers and Software	20.00%		-	-			-			-	-
23	391	Transportation Equipment	20.00%		-	-			1,645			8,224	7,402
24	392	Stores Equipment	4.00%		-	-			-			-	-
25	393	Tools, Shop And Garage Equip	5.00%		-	-			-			-	-
26	394	Laboratory Equip	10.00%		-	-			56			970	112
27	396	Communication Equip	10.00%		-	-			-			-	-
28	398	Other Tangible Plant	10.00%	812	(176)	(176)			9		(70)	-	0
29					-	-			-			-	-
30					-	-			-			-	-
31					-	-			-			-	-
32					-	-			-			-	-
33					-	-			-			-	-
34					-	-			-			-	-
35		Plant Held for Future Use			-	-			-			-	-
36		TOTALS		2,846	14,903	17,749	-	-	405,024	-	855	12,215,061	1,921,354

Unadjusted PIS Balance
Non-Depr. or Fully Depr. Plant
Depreciable Plant
Depreciation Expense
Composite Depreciation Rate

12,215,061
(78,272)
12,136,789
855
0.01%

Red Rock Utilities - Sewer Division
Plant Additions and Retirements

Exhibit
Rebuttal Schedule B-2
Page 3.10
Witness: Bourassa

NARUC Line No.	Account No.	Description	Allowed Deprec. Rate	2012					Accum. Deprec.
				Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Retirement Adjustments	
1	351	Organization	0.00%	-	-	-	-	-	-
2	352	Franchise	0.00%	-	-	-	-	-	-
3	353	Land	0.00%	-	-	-	-	-	-
4	354	Structures & Improvements	3.33%	-	-	-	-	-	-
5	355	Power Generation	5.00%	-	-	-	-	-	-
6	360	Collection Sewer Forced	2.00%	-	-	-	-	-	-
7	361	Collection Sewers Gravity	2.00%	-	-	-	-	-	-
8	362	Special Collecting Structures	2.00%	-	-	-	-	-	-
9	363	Customer Services	2.00%	-	-	-	-	-	-
10	364	Flow Measuring Devices	10.00%	-	-	-	-	-	-
11	366	Reuse Services	2.00%	-	-	-	-	-	-
12	367	Reuse Meters And Installation	8.33%	-	-	-	-	-	-
13	370	Receiving Wells	3.33%	-	-	-	-	-	-
14	371	Pumping Equipment	12.50%	-	-	-	-	-	-
15	374	Reuse Distribution Reservoirs	2.50%	-	-	-	-	-	-
16	375	Reuse Trans. and Dist. System	2.50%	-	-	-	-	-	-
17	380	Treatment & Disposal Equipment	5.00%	-	-	-	-	-	-
18	381	Plant Sewers	5.00%	-	-	-	-	-	-
19	382	Outfall Sewer Lines	3.33%	-	-	-	-	-	-
20	389	Other Sewer Plant & Equipment	6.67%	-	-	-	-	-	-
21	390	Office Furniture & Equipment	6.67%	-	-	-	-	-	-
22	390.1	Computers and Software	20.00%	-	-	-	-	-	-
23	391	Transportation Equipment	20.00%	-	-	-	-	-	-
24	392	Stores Equipment	4.00%	-	-	-	-	-	-
25	393	Tools, Shop And Garage Equip	5.00%	-	-	-	-	-	-
26	394	Laboratory Equip	10.00%	-	-	-	-	-	-
27	396	Communication Equip	10.00%	-	-	-	-	-	-
28	398	Other Tangible Plant	10.00%	-	-	-	-	-	-
29				-	-	-	-	-	-
30				-	-	-	-	-	-
31				-	-	-	-	-	-
32				-	-	-	-	-	-
33				-	-	-	-	-	-
34				-	-	-	-	-	-
35				-	-	-	-	-	-
36				-	-	-	-	-	-
TOTALS				11,426	-	11,426	900	-	2,325,183

Unadjusted PIS Balance
Non-Depr. or Fully Depr. Plant
Depreciable Plant
Depreciation Expense
Composite Depreciation Rate

12,225,587
(78,272)
12,147,315
404,729
3.33%

Red Rock Utilities - Sewer Division
Plant Additions and Retirements

Exhibit
Rebuttal Schedule B-2
Page 3.11
Witness: Bourassa

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Retirement Adjustments	Adjusted Plant Retirements	Salvage A/D Only	Depreciation (Calculated)	PIS Adjustment	Excess Capacity A/D Adjustment	Staff PIS Adjustments	Plant Balance	Excess Capacity A/D Adjustment	Staff A/D Adjustments	Accum. Depr.
1	351	Organization	0.00%	-	-	-	-	-	-	-	-	-	-	-	11,963	-	-	-
2	352	Franchise	0.00%	-	-	-	-	-	-	-	-	-	-	-	54,827	-	-	-
3	353	Land	0.00%	-	-	-	-	-	-	-	-	-	-	-	6,538	-	-	-
4	354	Structures & Improvements	3.33%	-	-	-	-	-	-	-	476	-	-	-	849,935	-	-	2,783
5	355	Power Generation	5.00%	-	-	-	-	-	-	-	-	-	-	-	31,432	-	-	-
6	360	Collection Sewer Forced	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	361	Collection Sewers Gravity	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	362	Special Collecting Structures	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	363	Customer Services	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	364	Flow Measuring Devices	10.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	366	Reuse Services	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	367	Reuse Meters And Installation	8.33%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	370	Receiving Wells	3.33%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	371	Pumping Equipment	12.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	374	Reuse Distribution Reservoirs	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	375	Reuse Trans. and Dist. System	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	380	Treatment & Disposal Equipment	5.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	381	Plant Sewers	5.00%	36,968	-	36,968	-	-	-	-	-	-	-	-	590,411	(1,376,000)	-	535,111
19	382	Outfall Sewer Lines	3.33%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	389	Other Sewer Plant & Equipment	6.67%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	390	Office Furniture & Equipment	6.67%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	390.1	Computers and Software	20.00%	-	-	-	-	-	-	-	-	-	-	-	10,039	-	-	4,413
23	391	Transportation Equipment	20.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	392	Stores Equipment	4.00%	-	-	-	-	-	-	-	-	-	-	-	8,224	-	-	9,868
25	393	Tools, Shop And Garage Equip	5.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	394	Laboratory Equip	10.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	396	Communication Equip	10.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	398	Other Tangible Plant	10.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS				36,968	-	36,968	-	-	-	-	406,695	(3,772,889)	(1,376,000)	(531,873)	7,957,793	(1,376,000)	(49,414)	1,306,464

Unadjusted PIS Balance
Non-Depr. or Fully Depr. Plant
Depreciable Plant
Depreciation Expense
Composite Depreciation Rate

11,730,682
(73,348)
11,657,334
406,695
3.49%

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment Number 2

Accumulated Depreciation

Line No.	Acct. No.	Description	Per Books Accum. Depr.	A Plant Not Used and Useful	B Reconciliation to Reconstruction of A/D Balance	Adjustments		D Intentionally Left Blank	E Intentionally Left Blank	Adjusted Accum. Depr.
						C Intentionally Left Blank				
1	351	Organization	-							-
2	352	Franchise	-							-
3	353	Land	-							-
4	354	Structures & Improvements	2,783							2,783
5	355	Power Generation	-							-
6	360	Collection Sewer Forced	-							-
7	361	Collection Sewers Gravity	-							-
8	362	Special Collecting Structures	687,402	(49,414)						637,988
9	363	Customer Services	-							-
10	364	Flow Measuring Devices	-							-
11	366	Reuse Services	2,935							2,935
12	367	Reuse Meters And Installation	-							-
13	370	Receiving Wells	-							-
14	371	Pumping Equipment	-							-
15	374	Reuse Distribution Reservoirs	31,155							31,155
16	375	Reuse Trans. and Dist. System	82,831							82,831
17	380	Treatment & Disposal Equipment	535,111							535,111
18	381	Plant Sewers	-							-
19	382	Outfall Sewer Lines	-							-
20	389	Other Sewer Plant & Equipment	-							-
21	390	Office Furniture & Equipment	4,413							4,413
22	390.1	Computers and Software	-							-
23	391	Transportation Equipment	9,868							9,868
24	392	Stores Equipment	-							-
25	393	Tools, Shop And Garage Equip	-							-
26	394	Laboratory Equip	(621)							(621)
27	396	Communication Equip	-							-
28	398	Other Tangible Plant	0							0
29			-							-
30			-							-
31			-							-
32			-							-
33			-							-
34			-							-
35			-							-
36			-							-
37			-							-
38			-							-
39		Plant Held for Future Use								-
40		TOTALS	\$ 1,355,878	\$ (49,414)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,306,464
41										
42		Accumulated Depreciation per Books								\$ 1,355,878
43										
44		Increase (decrease) in Accumulated Depreciation								\$ (49,414)
45										
46		Adjustment to Accumulated Depreciation								\$ (49,414)
47										

SUPPORTING SCHEDULES

B-2, pages 4.1 to 4.2

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment Number 2-A

Exhibit
Rebuttal Schedule B-2
Page 4.1
Witness: Bourassa

A/D Related to Plant not Used and Useful

Line

No.

1

2

3

Acct.

4

No. Description

Adjustment

5

6

361 Collections Sewer, Gravity

\$ (49,414)

7

8

9

TOTAL

\$ (49,414)

10

11

12

Increase (decrease) in A/D

\$ (49,414)

13

14

Adjustment to A/D

\$ (49,414)

15

16

SUPPORTING SCHEDULES

17

Staff Schedule CSB-8

18

19

20

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment Number 2-B

Reconciliation of Accumulated Depreciation (A/D) Balance to Reconstructed Balance

Line No.	Acct. No.	Description	A/D Balance	B-2 Adjustments	Adjusted A/D Balance	A/D Balance Per Reconstruction	Adjustments to Reconcile
1	351	Organization	-	-	-	-	-
2	352	Franchise	-	-	-	-	-
3	353	Land	-	-	-	-	-
4	354	Structures & Improvements	2,783	-	2,783	2,783	-
5	355	Power Generation	-	-	-	-	-
6	360	Collection Sewer Forced	-	-	-	-	-
7	361	Collection Sewers Gravity	-	-	-	-	-
8	362	Special Collecting Structures	687,402	(49,414)	637,988	637,988	-
9	363	Customer Services	-	-	-	-	-
10	364	Flow Measuring Devices	-	-	-	-	-
11	366	Reuse Services	2,935	-	2,935	2,935	-
12	367	Reuse Meters And Installation	-	-	-	-	-
13	370	Receiving Wells	-	-	-	-	-
14	371	Pumping Equipment	-	-	-	-	-
15	374	Reuse Distribution Reservoirs	31,155	-	31,155	31,155	-
16	375	Reuse Trans. and Dist. System	82,831	-	82,831	82,831	-
17	380	Treatment & Disposal Equipment	535,111	-	535,111	535,111	-
18	381	Plant Sewers	-	-	-	-	-
19	382	Outfall Sewer Lines	-	-	-	-	-
20	389	Other Sewer Plant & Equipment	-	-	-	-	-
21	390	Office Furniture & Equipment	4,413	-	4,413	4,413	-
22	390.1	Computers and Software	-	-	-	-	-
23	391	Transportation Equipment	9,868	-	9,868	9,868	-
24	392	Stores Equipment	-	-	-	-	-
25	393	Tools, Shop And Garage Equip	-	-	-	-	-
26	394	Laboratory Equip	(621)	-	(621)	(621)	-
27	396	Communication Equip	-	-	-	-	-
28	398	Other Tangible Plant	0	-	0	0	-
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							
46							
47							
48							
49							
50							
		TOTALS	\$ 1,355,878	\$ (49,414)	\$ 1,306,464	\$ 1,306,464	\$ -
		Increase (decrease) in A/D					\$ -
		Adjustment to A/D					\$ -

SUPPORTING SCHEDULES

B-2, pages 4
B-2, pages 3.4-3.11

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment 3

Exhibit
Rebuttal Schedule B-2
Page 5
Witness: Bourassa

Contributions-in-Aid of Construction (CIAC) and Accumulated Amortization

Line
No.

	Gross CIAC	Accumulated Amortization
Recommended balance at end of TY	\$ -	\$ -
Adjusted balance at end of TY	\$ 549,043	\$ 26,408
Increase (decrease)	\$ (549,043)	\$ (26,408)
Rebuttal Adjustment to CIAC/AA CIAC	\$ (549,043)	\$ 26,408
Label	3a	3b

SUPPORTING SCHEDULES

E-1

B-2, page 5.1

Red Rock Ultiities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Computation of Working Capital

Exhibit
Rebuttal Schedule B-5
Page 1
Witness: Bourassa

Line
No.

1	Cash Working Capital (1/8 of Allowance		
2	Operation and Maintenance Expense)	\$	45,847
3	Pumping Power (1/24 of Pumping Power)		2,484
4	Purchased Water (1/24 of Purchased Water)		111
5	Prepaid Expenses		
6			
7			
8			
9	Total Working Capital Allowance	\$	48,442
10			
11			
12	Working Capital Requested	\$	-
13			
14			
15			
16			
17		<u>Adjusted Test Year</u>	
18	Total Operating Expense	\$	637,559
19	Less:		
20	Income Tax	\$	-
21	Property Tax		14,316
22	Depreciation		194,187
23	Purchased Water		2,672
24	Pumping Power		59,605
25	Allowable Expenses	\$	366,779
26	1/8 of allowable expenses	\$	45,847

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39
40

SUPPORTING SCHEDULES:

E-1

RECAP SCHEDULES:

B-1

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Income Statement

Exhibit
Rebuttal Schedule C-1
Page 1
Witness: Bourassa

Line No.		Test Year Adjusted Results	Rebuttal Adjustment	Rebuttal Test Year Adjusted Results	Rebuttal Proposed Rate Increase	Rebuttal Adjusted with Rate Increase
1	Revenues					
2	Metered Water Revenues	\$ 465,331	\$ (189,600)	\$ 275,731	\$ 355,516	\$ 631,247
3	Unmetered Water Revenues	12,218	-	12,218		12,218
4	Other Water Revenues	-	-	-		-
5		<u>\$ 477,549</u>	<u>\$ (189,600)</u>	<u>\$ 287,949</u>	<u>\$ 355,516</u>	<u>\$ 643,465</u>
6	Operating Expenses					
7	Salaries and Wages	\$ 15,223	-	\$ 15,223		\$ 15,223
8	Employee Pensions and Benefits	930	-	930		930
9	Sludge Removal	7,538	-	7,538		7,538
10	Purchased Water	2,672	-	2,672		2,672
11	Purchased Power	98,122	(38,517)	59,605		59,605
12	Chemicals	-	-	-		-
13	Repairs and Maintenance	30,231	-	30,231		30,231
14	Office Supplies and Expense	3,283	-	3,283		3,283
15	Contractual Services - Engineering	-	-	-		-
16	Contractual Services - Accounting	56,000	(50,000)	6,000		6,000
17	Contractual Services - Legal	32,485	-	32,485		32,485
18	Contractual Services - Other	220,686	-	220,686		220,686
19	Contractual Services - Water Testing	13,797	4,845	18,642		18,642
20	Rents - Equipment	-	-	-		-
21	Transportation Expenses	-	-	-		-
22	Insurance - Vehicle	-	-	-		-
23	Insurance - General Liability	11,902	-	11,902		11,902
24	Insurance - Worker's Comp	-	-	-		-
25	Regulatory Commission Expense	-	-	-		-
26	Regulatory Commission Expense - Rate Ca	5,000	-	5,000		5,000
27	Bad Debt Expense	-	-	-		-
28	Miscellaneous Expense	11,744	-	11,744		11,744
29	Sales Tax Expense	-	-	-		-
30	Depreciation Expense	203,130	(8,943)	194,187		194,187
31	Taxes Other Than Income	3,115	-	3,115	-	3,115
32	Property Taxes	23,766	(9,450)	14,316	5,906	20,223
33	Income Tax	-	-	-		-
34	Total Operating Expenses	<u>\$ 739,624</u>	<u>\$ (102,065)</u>	<u>\$ 637,559</u>	<u>\$ 5,906</u>	<u>\$ 643,465</u>
35	Operating Income	<u>\$ (262,075)</u>	<u>\$ (87,535)</u>	<u>\$ (349,610)</u>	<u>\$ 349,610</u>	<u>\$ -</u>
36	Other Income (Expense)					
37	Interest Income	4,859	-	4,859		4,859
38	Other income	-	-	-		-
39	Interest Expense	-	-	-		-
40	Other Expense	-	-	-		-
41		-	-	-		-
42	Total Other Income (Expense)	<u>\$ 4,859</u>	<u>\$ -</u>	<u>\$ 4,859</u>	<u>\$ -</u>	<u>\$ 4,859</u>
43	Net Profit (Loss)	<u><u>\$ (257,216)</u></u>	<u><u>\$ (87,535)</u></u>	<u><u>\$ (344,751)</u></u>	<u><u>\$ 349,610</u></u>	<u><u>\$ 4,859</u></u>

SUPPORTING SCHEDULES:

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E-2

RECAP SCHEDULES:

A-1

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Income Statement

Exhibit
Rebuttal Schedule C-1
Page 2
Witness: Bourassa

Line No.	1	2	3	4	5	6	7	8	9	Rebuttal Test Year Adjusted Results	Rebuttal Proposed Rate Increase	Rebuttal Adjusted with Rate Increase
1	Revenues	Property Taxes	Annualized Revenues	Purchased Power	Contractual Services	Water Testing	Intentionally Left Blank	Intentionally Left Blank	Intentionally Left Blank			
2	Metered Water Revenues									\$ 485,331	\$ 355,516	\$ 631,247
3	Unmetered Water Revenues									12,218		12,218
4	Other Water Revenues											
5										\$ 275,731	\$ 355,516	\$ 631,247
6										12,218		12,218
7	Operating Expenses									\$ 287,949	\$ 355,516	\$ 643,465
8	Salaries and Wages									15,223		15,223
9	Employee Pensions and Benefits									930		930
10	Sludge Removal									7,538		7,538
11	Purchased Water									2,672		2,672
12	Chemicals									59,605		59,605
13	Repairs and Maintenance											
14	Office Supplies and Expense									30,231		30,231
15	Contractual Services - Engineering									3,283		3,283
16	Contractual Services - Management											
17	Contractual Services - Legal									6,000		6,000
18	Contractual Services - Other									32,485		32,485
19	Contr. Services - Water Testing									220,686		220,686
20	Rents - Equipment									18,642		18,642
21	Transportation Expenses											
22	Insurance - Vehicle											
23	Insurance - General Liability									11,902		11,902
24	Insurance - Worker's Comp											
25	Regulatory Commission Expense									5,000		5,000
26	Regulatory Commission Expense - Rate Case											
27	Bad Debt Expense											
28	Miscellaneous Expense									11,744		11,744
29	Sales Tax Expense											
30	Depreciation Expense									194,187		194,187
31	Taxes Other Than Income									3,115		3,115
32	Property Taxes									14,316	5,906	20,223
33	Income Tax											
34	Total Operating Expenses									\$ 637,559	\$ 5,906	\$ 643,465
35	Operating Income									\$ (349,610)	\$ 349,610	\$ -
36	Other Income (Expense)											
37	Interest Income									4,859		4,859
38	Other Income											
39	Interest Expense											
40	Other Expense											
41												
42	Total Other Income (Expense)											
43	Net Profit (Loss)									\$ 4,859	\$ -	\$ 4,859
44										\$ (349,610)	\$ 349,610	\$ -
45										\$ (349,610)	\$ 349,610	\$ -
46										\$ (349,610)	\$ 349,610	\$ -
47										\$ (349,610)	\$ 349,610	\$ -

RECAP SCHEDULES:
C-1, page 1

SUPPORTING SCHEDULES:
C-2
E-2

Exhibit
Rebuttal Schedule C-2
Page 1
Witness: Bourassa

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Exhibit
Rebuttal Schedule C-2
Page 2
Witness: Bourassa

Line

No.	Acct.		Adjusted Original	Fully Depr/ Non-Depr	Depreciable Cost	Proposed Rates	Depreciation Expense
1							
2							
3							
4							
5	351	Organization	11,983	(11,983)	-	0.00%	-
6	352	Franchise	54,827	(54,827)	-	0.00%	-
7	353	Land	6,538	(6,538)	-	0.00%	-
8	354	Structures & Improvements	864,233		864,233	3.33%	28,779
9	355	Power Generation	31,432		31,432	5.00%	1,572
10	360	Collection Sewer Forced	-		-	2.00%	-
11	361	Collection Sewers Gravity	5,429,351		5,429,351	2.00%	108,587
12	362	Special Collecting Structures	-		-	2.00%	-
13	363	Customer Services	-		-	2.00%	-
14	364	Flow Measuring Devices	-		-	10.00%	-
15	366	Reuse Services	26,931		26,931	2.00%	539
16	367	Reuse Meters And Installation	-		-	8.33%	-
17	370	Receiving Wells	-		-	3.33%	-
18	371	Pumping Equipment	13,732		13,732	12.50%	1,717
19	374	Reuse Distribution Reservoirs	280,411		280,411	2.50%	7,010
20	375	Reuse Trans. and Dist. System	625,073		625,073	2.50%	15,627
21	380	Treatment & Disposal Equipment	590,411		590,411	5.00%	29,521
22	381	Plant Sewers	-		-	5.00%	-
23	382	Outfall Sewer Lines	-		-	3.33%	-
24	389	Other Sewer Plant & Equipment	-		-	6.67%	-
25	390	Office Furniture & Equipment	10,039		10,039	6.67%	670
26	390.1	Computers and Software	-		-	20.00%	-
27	391	Transportation Equipment	8,224	(8,224)	-	20.00%	-
28	392	Stores Equipment	-		-	4.00%	-
29	393	Tools, Shop And Garage Equip	-		-	5.00%	-
30	394	Laboratory Equip	790		790	10.00%	79
31	396	Communication Equip	882		882	10.00%	88
32	398	Other Tangible Plant	2,936		2,936	0.00%	-
33			-				-
34			-				-
35			-				-
36			-				-
37			-				-
38		TOTALS	\$ 7,957,793	\$ (81,572)	\$ 7,876,221		\$ 194,187
39							
40							
41		Less: Amortization of Contributions			Gross CIAC	Amort. Rate	
42		Total Depreciation Expense			\$ -	2.4655%	\$ -
43							\$ 194,187
44		Adjusted Test Year Depreciation Expense					203,130
45							
46		Increase (decrease) in Depreciation Expense					(8,943)
47							
48		Adjustment to Revenues and/or Expenses					\$ (8,943)
49							
50		SUPPORTING SCHEDULE					
51		B-2, page 3					

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Adjustment to Revenues and Expenses
Adjustment Number 2

Exhibit
Rebuttal Schedule
Page 3
Witness: Bourassa

Property Taxes

Line No.	DESCRIPTION	Test Year as adjusted	Company Recommended
1	Company Adjusted Test Year Revenues - 2007	\$ 287,949	\$ 287,949
2	Weight Factor	2	2
3	Subtotal (Line 1 * Line 2)	575,898	575,898
4	Company Recommended Revenue	287,949	643,465
5	Subtotal (Line 4 + Line 5)	863,847	1,219,363
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	287,949	406,454
8	Department of Revenue Multiplier	2	2
9	Revenue Base Value (Line 7 * Line 8)	575,898	812,909
10	Plus: 10% of CWIP - 2010	-	-
11	Less: Net Book Value of Licensed Vehicles	1,411	1,411
12	Full Cash Value (Line 9 + Line 10 - Line 11)	574,487	811,498
13	Assessment Ratio	18.0%	18.0%
14	Assessment Value (Line 12 * Line 13)	103,408	146,070
15	Composite Property Tax Rate - Obtained from ADOR	13.8445%	13.8445%
16	Test Year Adjusted Property Tax Expense (Line 14 * Line 15)	\$ 14,316	\$ 20,223
17	Tax on Parcels	-	-
18	Total Property Taxes (Line 16 + Line 17)	\$ 14,316	
19	Test Year Property Taxes	\$ 23,766	
20	Adjustment to Test Year Property Taxes (Line 18 - Line 19)	\$ (9,450)	
21			
22	Property Tax on Company Recommended Revenue (Line 16 + Line 17)		\$ 20,223
23	Company Test Year Adjusted Property Tax Expense (Line 18)		\$ 14,316
24	Increase in Property Tax Due to Increase in Revenue Requirement		\$ 5,906
25			
26	Increase in Property Tax Due to Increase in Revenue Requirement (Line 24)		\$ 5,906
27	Increase in Revenue Requirement		\$ 355,516
28	Increase in Property Tax Per Dollar Increase in Revenue (Line 26 / Line 27)		1.66134%
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Adjustment to Revenues and Expenses
Adjustment Number 3

Exhibit
Rebuttal Schedule C-2
Page 4
Witness: Bourassa

Additional Revenues/Expense from Projected Customer Growth

Line
No.

1		
2	Remove Additional Revenues from Projected Growth	\$ (189,600)
3		
4	Total additional annual revenues	<u>\$ (189,600)</u>
5		
6	Increase(decrease) in Metered Revenues	<u>\$ (189,600)</u>
7		
8	Adjustment to Revenue and/or Expense	<u>\$ (189,600)</u>
9		
10		
11		
12		
13		
14		
15	<u>REFERENCE</u>	
16	Staff Schedule CSB-12	
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Adjustment to Revenues and Expenses
Adjustment Number 4

Exhibit
Rebuttal Schedule C-2
Page 5
Witness: Bourassa

Purchased Power

Line

No.

1

2

3 Adjustment to Purchased Power \$ (38,517)

4

5

6

7 Increase(decrease) in Purchased Power \$ (38,517)

8

9 Adjustment to Revenue and/or Expense \$ (38,517)

10

11

12 REFERENCE

13 Staff Schedule CSB-13

14

15

16

17

18

19

20

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Adjustment to Revenues and Expenses
Adjustment Number 5

Exhibit
Rebuttal Schedule C-2
Page 6
Witness: Bourassa

Contractual Services - Management

Line

No.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

Adjustment to Contractual Services - Management

\$ (50,000)

Increase(decrease) in Contractual Services - Management

\$ (50,000)

Adjustment to Revenue and/or Expense

\$ (50,000)

REFERENCE

Staff Schedule CSB-14

Red Rock Ultiities, LLC - Wastewater Division
Test Year Ended December 31, 2001
Adjustment to Revenues and Expenses
Adjustment Number 7

Exhibit
Rebuttal Schedule C-2
Page 8
Witness: Bourassa

Water Testing

Line

No.

1

2

3

Adjustment to Water Testing

\$ 4,845

4

5

6

7

Increase(decrease) in Water Testing

\$ 4,845

8

9

Adjustment to Revenue and/or Expense

\$ 4,845

10

11

12

REFERENCE

13

Staff Schedule CSB-15

14

15

16

17

18

19

20

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Computation of Gross Revenue Conversion Factor

Exhibit
Rebuttal Schedule C-3
Page 1
Witness: Bourassa

Line No.	Description	Percentage of Incremental Gross Revenues
1	Combined Federal and State Effective Income Tax Rate	0.000%
2		
3	Property Taxes	1.661%
4		
5		
6	Total Tax Percentage	1.661%
7		
8	Operating Income % = 100% - Tax Percentage	98.339%
9		
10		
11		
12		
13	$\frac{1}{\text{Operating Income \%}}$ = Gross Revenue Conversion Factor	
14		1.0169
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25	<u>SUPPORTING SCHEDULES:</u>	<u>RECAP SCHEDULES:</u>
26	C-3, page 2	A-1
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		

GROSS REVENUE CONVERSION FACTOR

Line No.	Description	(A)	(B)	(C)	(D)	(E)	(F)
<u>Calculation of Gross Revenue Conversion Factor:</u>							
1	Revenue	100.0000%					
2	Uncollectible Factor (Line 11)	0.0000%					
3	Revenues (L1 - L2)	100.0000%					
4	Combined Federal and State Income Tax and Property Tax Rate (Line 23)	1.6613%					
5	Subtotal (L3 - L4)	98.3387%					
6	Revenue Conversion Factor (L1 / L5)	1.016894					
<u>Calculation of Uncollectible Factor:</u>							
7	Unity	100.0000%					
8	Combined Federal and State Tax Rate (Line 17)	0.0000%					
9	One Minus Combined Income Tax Rate (L7 - L8)	100.0000%					
10	Uncollectible Rate	0.0000%					
11	Uncollectible Factor (L9 * L10)		0.0000%				
<u>Calculation of Effective Tax Rate:</u>							
12	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%					
13	Arizona State Income Tax Rate	0.0000%					
14	Federal Taxable Income (L12 - L13)	100.0000%					
15	Applicable Federal Income Tax Rate (Line 44)	0.0000%					
16	Effective Federal Income Tax Rate (L14 x L15)	0.0000%					
17	Combined Federal and State Income Tax Rate (L13 + L16)		0.0000%				
<u>Calculation of Effective Property Tax Factor:</u>							
18	Unity	100.0000%					
19	Combined Federal and State Income Tax Rate (L17)	0.0000%					
20	One Minus Combined Income Tax Rate (L18-L19)	100.0000%					
21	Property Tax Factor	1.6613%					
22	Effective Property Tax Factor (L20*L21)		1.6613%				
23	Combined Federal and State Income Tax and Property Tax Rate (L17+L22)			1.6613%			
24	Required Operating Income	\$ -					
25	Adjusted Test Year Operating Income (Loss)	\$ (349,610)					
26	Required Increase in Operating Income (L24 - L25)		\$ 349,610				
27	Income Taxes on Recommended Revenue (Col. (F), L52)	\$ -					
28	Income Taxes on Test Year Revenue (Col. (C), L52)	\$ -					
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)		\$ -				
30	Recommended Revenue Requirement	\$ 643,465					
31	Uncollectible Rate (Line 10)	0.0000%					
32	Uncollectible Expense on Recommended Revenue (L24 * L25)	\$ -					
33	Adjusted Test Year Uncollectible Expense	\$ -					
34	Required Increase in Revenue to Provide for Uncollectible Exp.		\$ -				
35	Property Tax with Recommended Revenue	\$ 20,223					
36	Property Tax on Test Year Revenue	\$ 14,316					
37	Increase in Property Tax Due to Increase in Revenue (L35-L36)		\$ 5,906				
38	Total Required Increase in Revenue (L26 + L29 + L37)		\$ 355,516				

Calculation of Income Tax:

	(A)	(B)	(C)	(D)	(E)	(F)
Test Year						
Total						
Revenue	\$ 287,949	\$ 287,949		\$ 643,465	\$ 643,465	
Operating Expenses Excluding Income Taxes	\$ 623,243	\$ 623,243		\$ 623,243	\$ 623,243	
Synchronized Interest (L47)	\$ -	\$ -	\$ -	\$ -	\$ -	
Arizona Taxable Income (L30 - L31 - L32)	\$ (335,294)	\$ (335,294)	\$ -	\$ 20,224	\$ 20,224	\$ -
Arizona State Effective Income Tax Rate (see work papers)	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Arizona Income Tax (L33 x L34)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Taxable Income (L33 - L35)	\$ (335,294)	\$ (335,294)	\$ -	\$ 20,224	\$ 20,224	\$ -
Effective Tax Rate (see work papers)	0.0000%	0.0000%		0.0000%	0.0000%	
Federal Income Tax	\$ -	\$ -		\$ -	\$ -	
	\$ -	\$ -		\$ -	\$ -	
	\$ -	\$ -		\$ -	\$ -	
	\$ -	\$ -		\$ -	\$ -	
	\$ -	\$ -		\$ -	\$ -	
51 Total Federal Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52 Combined Federal and State Income Tax (L35 + L42)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

53 COMBINED Applicable Federal Income Tax Rate [Col. (D), L51 - Col. (A), L51] / [Col. (D), L45 - Col. (A), L45]

54 WATER Applicable Federal Income Tax Rate [Col. (E), L51 - Col. (B), L51] / [Col. (E), L45 - Col. (B), L45]

55 0.0000% 0.0000%

Calculation of Interest Synchronization:

56 Rate Base	\$ 976,489	N/A	\$ -
57 Weighted Average Cost of Debt	0.0000%		0.0000%
58 Synchronized Interest (L45 X L46)	\$ -	\$ -	\$ -

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Revenue Summary

Exhibit
Rebuttal Schedule H-1
Page 1
Witness: Bourassa

Line No.	Meter Size	Class	Present Revenues	Proposed Revenues	Dollar Change	Percent Change	Percent of Present Water Revenues	Percent of Proposed Water Revenues
1	5/8x3/4 Inch	Residential	\$ 267,336	\$ 612,199	\$ 344,863	129.00%	92.84%	95.14%
2								
3	5/8x3/4 Inch	Commercial	948	2,171	1,223	129.00%	0.33%	0.34%
4	2 Inch	Commercial	7,584	17,367	9,783	129.00%	2.63%	2.70%
5								
6	Effluent		12,224	12,224	-	0.00%	4.25%	1.90%
7								
8	Total Revenues Before Annualization		\$ 288,092	\$ 643,962	\$ 355,870	123.53%	100.05%	100.08%
9								
10	Revenue Annualization:							
11			-	-	-	0.00%	0.00%	0.00%
12								
13								
14								
15								
16	Total Revenue Annualization		\$ -	\$ -	\$ -	0.00%		
17	Subtotal Metered Revenues		\$ 288,092	\$ 643,962	\$ 355,870	123.53%	100.05%	100.08%
18	Subtotal Revenue Annualization		-	-	-	0.00%	0.00%	0.00%
19	Total Metered Revenues		\$ 288,092	\$ 643,962	\$ 355,870	123.53%		
20								
21	Misc. Revenues		\$ -	\$ -	\$ -	0.00%	0.00%	0.00%
22	Reconciling Amount to GL		(143)	(496)	(353)	0.00%	-0.05%	-0.08%
23	Total Water Revenues		\$ 287,949	\$ 643,466	\$ 355,517	123.47%	0.00%	0.00%
24								
25								

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Customer Summary

Exhibit
Rebuttal Schedule H-2
Page 1
Witness: Bourassa

Line No.	Meter Size, Class	(a) Average Number of Customers at 12/31/2013	Average Consumption	Average Bill		Proposed Increase	
				Present Rates	Proposed Rates	Dollar Amount	Percent Amount
1	5/8x3/4 Inch Residential	564	-	\$ 39.50	\$ 90.46	50.96	129.00%
2							
3	5/8x3/4 Inch Commercial	2	-	-	-	-	0.00%
4	2 Inch Commercial	2	-	316.00	723.64	407.64	129.00%
5							
6	Effluent	5		194.03	194.03	-	0.00%
7							
8							
9	Total	573					

(a) Average number of customers of less than one (1), indicates that less than 12 bills were issued during the year.

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Customer Summary

Exhibit
Rebuttal Schedule H-2
Page 2
Witness: Bourassa

Line No.	Meter Size, Class	(a) Average Number of Customers at					Median Bill		Proposed Increase	
		12/31/2013	Median Consumption	Present Rates	Proposed Rates		Present Rates	Proposed Rates	Dollar Amount	Percent Amount
1	5/8 Inch Residential	564	-	\$ 39.50	\$ 90.46				50.96	129.00%
2										
3	1.5 Inch Commercial	2	-	-	-				-	0.00%
4	2 Inch Commercial	2	-	316.00	723.64				407.64	129.00%
5										
6	Effluent	5		140.77	140.77				-	0.00%
7										
8	Total	573								
9										

(a) Average number of customers of less than one (1), indicates that less than 12 bills were issued during the year.

Red Rock Utilities, LLC - Wastewater Division
 Test Year Ended December 31, 2013
 Present and Proposed Rates

Exhibit
 Rebuttal Schedule H-3
 Page 1
 Witness: Bourassa

Line No.	Monthly Minimum Charge for: Meter Size (All Classes):	Present Rates	Proposed Rates	Change	Percent Change
1	5/8x3/4 Inch	\$ 39.50	\$ 90.46	\$ 50.96	129.00%
2	3/4 Inch	59.25	135.68	76.43	129.00%
3	1 Inch	98.75	226.14	127.39	129.00%
4	1 1/2 Inch	197.50	452.28	254.78	129.00%
5	2 Inch	316.00	723.64	407.64	129.00%
6	3 Inch	592.50	1,447.28	854.78	144.27%
7	4 Inch	987.50	2,261.38	1,273.88	129.00%
8	6 Inch	1,975.00	4,522.75	2,547.75	129.00%
9					
10					
11					
12					
13	Effluent Sales (per acre foot)	\$ 300.00	\$ 300.00	-	0.00%
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37	NT = No Tariff				
38					

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Present and Proposed Rates (Phase In Over 5 years)

Exhibit
Rebuttal Schedule H-3
Page 2
Witness: Bourassa

Line No.	Monthly Service Charge for: <u>Meter Size (All Classes):</u>	Year 1 Rates	Year 2 Rates	Year 3 Rates	Year 4 Rates	Year 5 Rates
1						
2	5/8x3/4 Inch	\$ 49.69	\$ 59.88	\$ 70.07	\$ 80.26	\$ 90.46
3	3/4 Inch	74.54	89.83	105.12	120.41	135.68
4	1 Inch	124.23	149.71	175.19	200.67	226.14
5	1 1/2 Inch	248.46	299.42	350.38	401.34	452.28
6	2 Inch	397.53	479.06	560.59	642.12	723.64
7	3 Inch	763.46	934.42	1,105.38	1,276.34	1,447.28
8	4 Inch	1,242.28	1,497.06	1,751.84	2,006.62	2,261.38
9	6 Inch	2,484.55	2,994.10	3,503.65	4,013.20	4,522.75
10						
11						
12						
13	Effluent Sales (per acre foot)	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00
14						
15						

Red Rock Utilities, LLC - Wastewater Division
Changes in Representative Rate Schedules
Test Year Ended December 31, 2013

Exhibit
Rebuttal Schedule H-3
Page 3
Witness: Bourassa
Revised

Line No.	Other Service Charges	Present Rates	Proposed Rates
1	Establishment (collected only if customer sewer only)	\$ 25.00	\$ 25.00
2	Re-establishment (within 12 months)	**	**
3	Reconnection (Delinquent)	\$ 30.00	\$ 30.00
4	Minimum Deposit	*	*
5	NSF Check	\$ 25.00	\$ 25.00
6	Late Payment Penalty (per month)	1.50%	1.50%
7	Deferred Payment Finance Charge	1.50%	1.50%
8	Service Calls - Per Hour/After Hours(a)	\$ 50.00	\$ 50.00
9			
10			
11			
12			
13	* Per Commission Rule A.A.C. R-14-2-603(B)		
14	** Per Commission Rule A.A.C. R14-2-603(D) - Months off the system times the monthly minimum.		
15			
16			
17			
18	IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM		
19	ITS CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE		
20	TAX. PER COMMISSION RULE 14-2-608D(5).		
21			
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